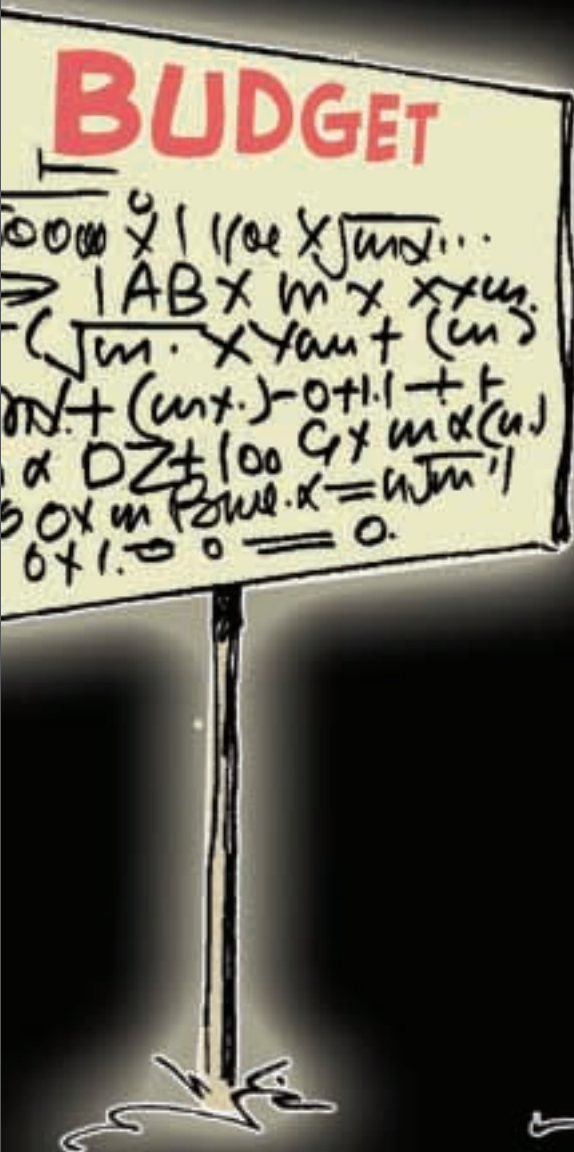


# human rights and budgets in india



# HUMAN RIGHTS and BUDGETS in India

## Editors

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# Foreword

In the classical paradigm, human rights is defined as basic civil and political rights that each individual by virtue of its citizenship/membership of a State are entitled to enjoy rights and freedoms, such as the right to life and liberty, freedom of expression, and equality before the law; furthermore a safety-valve against socio-political tortures, discriminations, or other forms of injuries. However, the movement for self-determination synergising with the liberation movement against colonial forces not only organically granted the Civil and Political rights but also spiritedly expanded the scope of the human rights to more inclusive Economic, Social and Cultural rights (ESC) as an absolute necessity in the domain of welfare state or more prominently in a liberal democratic State.

Economic, Social and Cultural rights (ESC) begin to gain recognition among other forms of universal entitlements in the contemporary times due to enactment and adaptation of the International Covenant on Economic, Social and Cultural Rights by the United Nations in 1966. The primary definition “guarantees individuals the right to work and to just and favourable conditions of work; to social security; to an adequate standard of living; to the highest attainable standard of physical and mental health; and to education, among others. These rights are guaranteed to all without discrimination.” The ESC rights in its coded and expanded interpretation need inclusive policies and government interventions with substantive public provisioning for its protections and basic fulfilments to make each individual a best selves. The substantive public provisioning requires prioritisation of policies and expenditure that usually comes through public taxations policy and thus, in turn, in the broad contours of social and political contract between citizen and State. Thus, in India, the Constitution categorically states that no tax shall be levied or collected except by authority of Parliament and the Executive in respect of every financial year cause to be laid before the People’s House the Annual Financial Statement (AFS) and other budget and policy documents sincerely stating the expenditure and policy priorities before the public and earnestly ask for its sacred sanction (legal and political) for a single public money to be spent for its welfare; in other words the protections and fulfillment of the Civil, Political, Economic, Social and Cultural Rights of the individual and citizens.

Therefore for all those social stakeholders and human rights watchers, budget analysis is considered as an appropriate tool to assess the government policies and expenditure priorities, thereby making a basis for targeted and informed demands on behalf of neglected and marginalised communities to get access to substantive rights and justice in the process of distribution and redistribution of resources.



Traditional methodologies as pursued by human rights activists include pressure campaigns, legal action, research and documentation, human rights education and empowerment. Nevertheless, budget human rights advocacy differs from traditional human rights approaches in terms of nature and vocabulary of its engagement with the State. Budget advocates involve themselves in the budget cycle process and phrase their demands in the competing policy tradeoffs and limited resources.

Budget analysis helps human rights advocates to make better-informed choices about public policy and offers greater clarity and specificity to a campaign. Though legal action plays an important role in human rights work, its effectiveness is limited due to insignificant and unnoticeable work in the expenditure and policy tracking and people's lack of knowledge and enlightened thinking about quality and nature of spending of public money on the essential services. South Africa is a good example of a country that has passed various social protection provisions in its Constitution. However, despite its progressive legal system, the State has not been able to deliver essential services to an acceptable percentage of the population. Budget analysis has played a significant role in exposing corrupt practices around allocation and implementation of resources.

A growing challenge to the human rights movement is the increasing influential role of international and other non-state actors in shaping the living standards of people by means of defining and redefining the policies locally, regionally and globally due to its reach to the corridor of policy making and implementation. These actors are largely unregulated and rarely held accountable for their actions. ESC rights advocates must use a wide range of tactics, including budget analysis to expose the way in which international bodies influence the pattern of allocation of resources in poorer countries or regions. Budget analysis enables advocates to compare the commitments of governing bodies across regional, national, and international borders.

The time has arrived to stimulate new thinking, strategies and tools for budgeting and human rights in India. Many organisations are highly adept at nuances of budget analysis, largely sector-wise, but also holistically. Their experiences of concrete budget analysis ask for more intervention for the pressing need of realising various dimensions of human rights. It was also important that the key social and human rights actors share various analyses of the government policy and budgetary provision; reflect and learn to strengthen the impact of their budgeting and human rights works in India.

The work of Human Rights Law Network (HRLN) and Centre for Budget and Governance Accountability (CBGA) is an effort in this direction. The voices of several organisations and individuals who came together from diverse fields have one common call—that common people have the right to be heard in the hitherto closed budget making process. We want budgets to be brought out from behind the strictly closed doors to the public domain.

The Human Rights Law Network (HRLN) and Centre for Budget and Governance Accountability (CBGA) organised a National Consultation in Shimla to build a common understanding among different stakeholders on critical gaps in public provisioning for important sectors and for arriving at a common set of prioritised policy and budgetary demands for different sectors forms the basis of our advocacy with different policymakers and people's movements in the ensuing of legal entitlements.

This volume includes various brief assessments of the budgetary provisions and policy priorities of the union government for some of the critical sectors, over the last few years in general, and in the last one year in particular. The sectors covered include those economic sectors (such as rural development and agriculture) and social sectors (such as, health and education) which are crucial for addressing development deficits of the large number of poor and disadvantaged people in India. In addition to these, the book also pays specific attention to budgetary provisions and policy priorities of the union government for some of the disadvantaged sections of our population, such as women, children, Dalits, Adivasis and minorities. It also includes brief commentaries on resource mobilisation efforts undertaken by the union government in the era of rigid fiscal norms (Fiscal Responsibility and Budgetary Management Act) and last but not the least, various policy efforts pursued by the union government for addressing important concerns relating to environment and climate change.

We would like to convey our sincerest thanks to our partner organisations, i.e, BARC, CBPS, CEHAT, CYSD, DISHA, HAQ Centre for Child Rights, HRLN, NCAS, NCDHR, National Social Watch, PWESCR, *Waada Na Todo Abhiyan* for their laudable support and necessary guidance in this process. There are several challenges confronting this initiative, some of which are rooted in the hitherto almost total disconnect of common people with the budget making process in our country and some relating to the conventional practices of the government keeping the budget making process utter opaque. However, the People's Budget Initiative (PBI) as organised under the leadership of Centre for Budget and Governance Accountability (CBGA) is striving to overcome these challenges with appropriate advocacy strategies and greater support of civil society organisations from across the country, in particular the civil society budget groups based in different states.

The Aprodev R&D-group held a Budgeting for Human Rights workshop in Cartigny in April 2006. At that workshop they stressed their commitment to take this activity to the national and local level in India in collaboration with a collective of budget and human rights groups in India. Erica Wortel and Peter Lanzet of the Initiative Budgeting for Human Rights and Helena Hofbauer of the International Budget Partnership played a central role in initiating the Indian conference.

For the organisations in India, the time was right for efforts to be made to stimulate new thinking, strategies and tools for budgeting and human rights in India. Many organisations are highly adept at budget analysis, largely sector-wise, but also more broadly. There has been solid budget analysis for a number of years and organisations are looking for what more they can do with budget work to press for realisation of human rights. While this work has had significant impact, it holds far greater potential than currently being realised.

It was, therefore, important that the key social and human rights groups come together to share, reflect and learn to strengthen the impact of their budgeting and human rights work. Accordingly a proposal was made to hold a conference in India which would provide a prime opportunity to engage strategically identified organisations in an event which builds this process into a broader workshop to feed in new tools and methodologies for consideration for future work. The R&D-group of Aprodev was interested to support practical experiences with the frontloading approach (indicators and cost-elements).

Accordingly the conference was planned to identify and engage relevant partners to trial contextually relevant methodologies that more proactively cost human rights implementation and increase pressure on governments to ensure sufficient resource allocation to guarantee that core economic, social and cultural rights obligations are met. It also sought to build awareness and knowledge on practical experiences of non-governmental organisations active in this area of other possibilities for linking economics and human rights as well as the urgency of such linkage.

The objectives of the conference held at Shimla in India from 28 - 30 May 2008 were to (a) share and review the use of budgeting as a strategy to ensure human rights in India; (b) Learn about ways in which budgeting has been used to define the resources that will be required to ensure economic, social and cultural rights in India, other countries and globally; (c) translate the “Core Minimum Standards” in concrete indicators and cost-elements and discuss the challenges and limitations of experiences; (d) develop a plan of action to undertake work on budgeting for human rights in India, including the identification of key sectors and partners for implementation.

It was also suggested by the participating groups that a publication of leading articles in the country on this issue be published at the end of the conference. This is how this book came into existence.

At the end, we would also like to thank all those, who helped us and extended their support for this volume. We also thank M.D. Mistry, Amitabh Behar, Fr. Mannu Alfanso, Vinod Vyasulu, Jagdanand Ji, Ravi Duggal, Enakshi Ganguly, Paul Divaker, Dr. Ginny Srivastava, Dr. N.C. Saxena, Biraj Patnaik, Ashutosh Vishal, and Prashant for their critical inputs and insights on various issues that are discussed critically in this book. Special thanks needed for Mr. Anup Kumar Srivastava (HRLN) for coordinating the Shimla workshop and compiling the articles. Our interns, Mr. Dhruv Gupta from Pune, Piyush from Lucknow, a visiting undergraduate from the University of California, Berkeley and lastly Jamie from England, who joined us for very short period, also deserve our sincere gratitude for completing research on various issues in time. Last, but not the least, we would also like to thank all our colleagues in the organisation for their unstinted and unconditional support to us in finishing this book.

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Human Rights Law Network

**Yamini Mishra & Gyana Ranjan Panda**  
Centre for Budget and Governance Accountability

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**PART ONE**  
**OVERVIEW**

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# Budget Work in India: Civil Society Experiments in Democratic Engagement

*Yamini Aiyar and Amitabh Behar*

In the last decade or so, civil society space in India has witnessed the proliferation of organisations engaged in budget analysis. Budget analysis can be defined as the process through which state budgets are scrutinised from the perspective of the poor and marginalised. Its focus is on critically evaluating budgetary allocations made by governments at the beginning of the fiscal year and tracking expenditure undertaken on the basis of these allocations to determine the extent to which policy translates into outcomes. The relevance of budget analysis lies in the fact that it has provided civil society with a tool through which it can effectively bring the perspectives and concerns of the poor and marginalised into the process of policy formulation. More importantly, through budget analysis civil society organisations have successfully demonstrated the importance of strategic engagement with the state for promoting a people-centric democratic discourse. Despite its importance, budget analysis has not received adequate attention both from academics in particular and civil society more generally. This paper is an attempt to bridge this gap by documenting and analysing some of the prominent civil society organisations involved in budget analysis in India. Through its analysis, this paper hopes to highlight the importance of strategic engagement with the state as the means through which civil society can further a rights based, people-centric democratic polity. It argues that budget analysis is an innovative tool through which civil society can enlarge the space for democratic engagement with the state.

## **I. Locating Budget Work within Civil Society Space**

Civil society's role in Indian polity needs to be understood within the context of its relationship with the state. Following independence, the post-colonial state was entrusted with the primary

responsibility of institutionalising democracy and catalysing the socio-economic transformation of the country. Through the first two decades of independence, this role remained unchallenged and civil society, with a few exceptions, worked in tandem with the state to strengthen its legitimacy and role in institutionalising democracy in India. By the 1970s, however, it became increasingly clear that the state had failed in its promise. Crucially, the state had not been effective in bringing in its fold the marginalised and had failed both to adequately meet citizens' demands and expectations. Democracy in India was thus characterised by enormous deficits. This sense of disillusionment with the Indian state was further exacerbated with the imposition of the emergency in 1975, which temporarily suspended democracy and fundamental rights in India.

It was in response to these broader political developments that civil society emerged as a powerful force in Indian polity. The twin factors of an increasingly centralised state on the one hand and the failure of the state to substantively democratise Indian society on the other helped galvanise civil society to work towards countering the hegemonic tendencies of the state and secure the socioeconomic rights of the marginalised.<sup>1</sup> Arguably then, one of the most crucial roles played by civil society in contemporary India has been to act as a watchdog to the state; and in doing so push the state in directions that are accountable and responsive to citizens thereby protecting and deepening their democratic rights.

The movement for social transformation initiated by civil society has largely been conducted within a framework of 'participative and mobilisation politics'.<sup>2</sup> In its struggles for justice, civil society has drawn heavily on the idiom of mass mobilisation and political agitation popularised in India through the freedom movement. The Gandhian means of civil disobedience characterised by mass mobilisation, rallies, petitions and direct confrontation have dominated the practices through which civil society engages with the state and struggles for justice. Prominent examples include the Narmada Bachao Andolan, the Chipko movement and more recently the movement for right to information. All these movements draw upon the practice of broad-based protest action characterised by rallies, public hearings and protest marches as the chief instrument for mobilisation and resistance.

Although civil society has come to occupy a powerful force in Indian polity its impact has been somewhat limited. This is partly because civil society organisations have deliberately maintained a critical distance from mainstream political institutions. As a result civil society has not been able to effectively leverage its mass base to influence public policy.<sup>3</sup> Consequent to their marked preference for pursuing a political strategy that remains confined to the civil society domain, civil society organisations have often been unable to transcend the boundaries of mass mobilisation and direct confrontation to effectively engage with the state.

In recent years, the civil society space has witnessed the growth of organisations that have attempted to devise innovative strategies that straddle the practice of mass mobilisation with effective

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1 For a comprehensive historical and contextual overview of civil society in contemporary India see Jayal, G Nirja 'India' in Yamamoto Tadashi eds *Governance and Civil Society in a Global Age 2001*, (Japan, Tokyo).

2 D L Sheth 'Grass Roots Initiatives in India', *Economic and Political Weekly*, Vol 19, No 6, 1984.

3 Robinson, Mark 'Civil Society and Ideological Contestation in India' in Carolyn Elliot (eds), *Civil Society and Democracy: A Reader*, 2003, New Delhi, India, pp 372-73.

engagement with the state. These include efforts that emphasise research; participatory planning and public interest litigation amongst others. Budget work is one such innovative strategy.<sup>4</sup> Budget analysis is the process of critically evaluating budgetary allocations made by governments at the beginning of the fiscal year and tracking expenditure undertaken on the basis of these allocations from the perspective of the poor. Such an analysis can have a significant impact on the flow of resources and public service delivery thereby ensuring that democratic goods reach the poor. Budget work has the potential to push the state in directions that are accountable and responsive precisely because it uses a critical instrument of the state as its point of contestation with the state. In other words, budget work recognises the importance of strategic engagement with the state and uses it as the means through which to promote just, accountable and people-centric governance. Conceptually speaking, budget work effectively uses the tools and instruments of ‘institutional democracy’ for furthering ‘substantive democracy’.

## II. Initiative for Accountable and Responsive Governance

The primary responsibility of the welfare state in a developing economy is to ensure the well-being of citizens through the delivery of essential services and the provision of non-market goods. It is in this context that the budget gains significance. Budgets are significant both because budgetary decisions articulate the macroeconomic policy of a nation and also for the fact that they impact issues related to the provision of basic social services, poverty alleviation and employment, all of which directly affect the well-being of poor and vulnerable citizens. Budgets thus reflect the vision of economic and social development of governments and perhaps more importantly, the choices that governments make to realise their socio-economic agenda. An equally important aspect of budgets is how the effective implementation of budgets determines the extent to which policy translates into outcomes. In this context, the budget gains even greater significance for effective expenditure and efficient programme management are critical to ensuring that money allocated for the delivery of public services reaches the poor.<sup>5</sup> Despite this fact, debate on the budget tends to be dominated by technocrats, businessmen and academics, in India for example, both state and national governments involve the chambers of commerce (like the CII, ASSOCHAM and FICCI) in debates on the budget. However, no space is given to NGOs and peoples organisations to reflect on the impact of budgetary decisions on the lives of the poor. Consequently, while the business lobby has considerable influence in determining the outcome of national budgets, the poor are left out of the process. This has led many to argue that budgets and more importantly policy articulated through budgets mirror power relations within a society. In effect, access to political power plays a determining role in the extent of influence that interest groups have on the budgeting process. Thus, in countries such as India where political power is largely concentrated in the hands of the elite, the voices of poor and marginalised are rarely reflected in the budgeting process.

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4 We use the terms budget work and budget analysis interchangeably. We also refer to civil society organisations engaged in budget analysis as budget groups.

5 Development theory is increasingly emphasising the importance of public expenditure management. It is in this context that analysts have begun identifying innovative means for achieving this. See for instance, Edwards, John ‘Results Oriented Public Expenditure Management: Will it Reduce Poverty Faster?’ ODI Briefing Papers, [www.odi.org.uk/pppg/cape/research/management](http://www.odi.org.uk/pppg/cape/research/management), 2003.



It is in this context, that civil society interventions in the budget process have gained significance. Budget work can be defined as a process through which state budgets are scrutinised from the perspective of the needs and demands of the poor and marginalised. According to the International Budget Project (IBP) of the Centre on Budget and Policy Priorities (CBPP), Washington, ‘the objective of budget work is to access, through analysis how priorities for public spending as expressed in the budget can affect the lives of the poor and vulnerable’.<sup>6</sup> Crucially, budget analysis tracks budgetary allocations through the financial year with a view to determining the extent to which policy translates itself into outcomes on the ground. Budget work is premised on the notion that in a welfare state the provision of essential public services is a basic function of the state and access to these services by all citizens is a fundamental right. However, often the elite-dominated and controlled state operates in an environment characterised by a lack of transparency and accountability or what is popularly referred to as ‘poor governance’ resulting in public services never reaching citizens. Through budget analysis, civil society organisations hope to counter this tendency by developing mechanisms for ensuring accountability and transparency in the budget process and through this in state functioning and delivery mechanisms more generally.

Civil society analysis of budgets tends to largely focus on government allocations, expenditure and taxation issues. While the strategies and approaches adopted by budget groups vary, broadly speaking, budget work focuses on simplifying the budget – which includes demystification of the budgetary jargon, fiscal architecture, and the technicalities involved with budgets – to spread awareness on budgetary provisions both amongst citizens as well as different interest groups; analysing budgets from the perspective of allocations in favour of the poor and marginalised; training of NGOs and legislatures on various aspects of the budget; monitoring government expenditure and finally advocacy for promoting a pro-poor policy.

### **III. Profiling Strategic Budget Work in India**

Budget work in India gained momentum in 1995, with the work of Disha (an NGO in Ahmedabad, Gujarat) whose analysis of the Gujarat state budget from the perspective of tribal welfare made a significant impact on the state government’s policy. Since then a number of organisations in India have drawn upon budget analysis to further their work on strengthening state accountability and transparency. Prominent amongst these are the Centre for Budget and Policy Studies in Bangalore, the Centre for Budget Studies, Mumbai, the Public Affairs Centre, Bangalore and the Pune-based National Centre for Advocacy Studies (NCAS) with its new initiative for building a Centre for Budget and Governance Accountability (CBGA) in New Delhi.

Disha’s work focuses on analysing government budgets to determine expenditure commitments for anti-poverty programmes and compare these with actual investments on the ground. Founded in 1985, Disha is a membership organisation that represents the interests of unorganised tribal and forest workers in Gujarat through advocacy on state level policy issues such as the regularisation of land rights for forest labourers. Disha’s involvement with budget analysis grew out of its

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6 [www.internationalbudget.org](http://www.internationalbudget.org).

experience in advocacy for the rights of labourers and tribal communities in Gujarat for it soon recognised that information on expenditure incurred by national and state governments was crucial to highlighting gaps in government commitment to tribal welfare. This recognition led Disha to make its first foray into budget analysis with the establishment of 'Patheya' – its budget arm in 1995. Disha's budget work focuses on analysing budgets of state and central government departments to determine the extent to which budget policy and priorities reflect the interests of the poor, in particular dalits, women, tribals and agricultural labourers. Disha intervenes primarily at the legislative and implementation stage of the budget process. Once the budget is tabled in the legislature, Disha evaluates the budget in terms of allocation trends focusing on programmes or schemes for marginalised groups. This information is then collated and circulated to MLAs to use as reference points once the budget debate gets underway. Over the years, Disha has developed a computerised data base of all the ministries and departments of the central government with data on income and expenditure incurred by the government on all its activities, programmes, and schemes including the salaries and other administrative expenditures. In addition Disha has developed a special data base of government spending on specific themes, issues and particular subjects which is then used to evaluate actual expenditure against projected commitments. Its work has been critical in highlighting the policy priorities of successive state and national governments as well as the gross irregularities in government spending. For instance, in 1998, Disha undertook a detailed analysis of the financial allocations made by the state government to the tribal and non-tribal regions vis-a-vis agriculture, industry, energy and in social sectors like health and education. The facts obtained from the budget study demonstrated that the government had allocated almost no funds to tribal areas. Disha was able to use this information to advocate with the state government to fulfil its stated commitment to the marginalised.

The Centre for Budget Studies (CBS) underwent a similar evolution. It is an offshoot of Vidhayak Sansad, an organisation working for the rehabilitation and training of bonded labourers. In 1993, Vidhayak Sansad set up Samarthan, its research arm to access information about policy-making and legislation to better advocate for their particular issues. Budget analysis was a logical next step for Samarthan and the CBS was established in 1997. CBS intervenes in the budget process primarily in the legislative and implementation stage and examines the state budget both from a macro-perspective in terms of overall trends in receipts and expenditures as well as from a sectoral perspective. The focus here is on budgetary allocations and expenditure on tribal welfare, women and child development and primary education. CBS's analysis also emphasises the misuse of funds allocated and budget cuts on welfare schemes. Research conducted through this centre has played an important role in successful advocacy efforts of Vidhayak Sansad. For instance, through information gathered from state budgets, Vidhayak Sansad was able to highlight the fact that the state government had done very little to fulfil its commitment to provide educational opportunities for child labourers. Using these facts, Vidhayak Sansad successfully advocated for the establishment of a school for child labourers working in brick kilns in Thane district.

Another successful experiment with budget work can be found in the experience of the Tamil Nadu People's Forum for Social Development, a Chennai-based NGO. The forum's budget work began in 1996 through the establishment of the budget analysis and policy priority cell. The unique feature of

this group is the fact that it is part of a larger network of 12 organisations working for the promotion of social justice through different perspectives and strategies. Budget analysis is undertaken on the basis of demands made from network members and is used as a tool to complement their ongoing activities and strengthen their advocacy potential.

While the organisations profiled thus far have primarily focused on analysing budgets at the national and state level, a more recent experiment in Bangalore undertaken by the Centre for Budget and Policy Studies (CBPS) has chosen to work with budgets at the local level. This work is particularly relevant in the context of the 73rd and 74th amendments that mandated the devolution of financial and other powers to local governments in the interest of strengthening democracy and service delivery to the poor. CBPS's work is premised on the fact that the functional efficiency of local governments is dependent upon their financial health. Their analysis of the budgetary process at the local level has made a significant contribution to current understandings of financial devolution. The main activities of CBPS are the collection, collation and validation of budgetary data from local governments in Karnataka, training of local officials and elected representatives in the use and application of budgetary analysis and working with local bodies and civil society organisations in the preparation of district level plans. Since its inception, CBPS has undertaken a detailed analysis of both panchayat and municipal budgets from the perspective of allocation and expenditure and significantly, income of local bodies. CBPS's point of departure from other groups engaged in budget work lies not only in its emphasis on local budgets but also on its attempts at working directly with different local bodies to strengthen their participation in budgetary decision-making. One such attempt was made in Kodagu district in Karnataka where CBPS worked with the district planning commission to encourage them to use the tool of budget analysis to influence the budgeting process at the state level.

## **IV. Impact and Potential Work for Public Advocacy**

As is evidenced from this brief profile of budget work in India, the focus of civil society interventions in this arena is primarily on examining budgetary allocations in the social sector and tracking expenditure. Such an analysis is critical in developing public understanding and awareness on policy issues and is a useful tool through which civil society organisations can push the state in directions that are pro-poor. Importantly, expenditure tracking allows communities and their elected representatives to determine whether expenditure priorities are in conformity with local needs and priorities and whether resources have been allocated for their intended uses. Discrepancies in the data and aggregate expenditure trends provide civil society organisations with a basis for engaging with government policy-makers over budget priorities and for advocating changes in expenditure, which can influence the governance processes in favour of the poor and marginalised. Importantly, budget work enjoys high credibility and legitimacy with the state as it uses its very own instruments, documents, data and apparatus for arriving at conclusions. Budget analysis has thus emerged as an important tool through which civil society organisations can directly engage with the state to promote accountable, responsive and people-centric governance.

As suggested earlier, the most important contribution that budget work has made to civil society engagement with the state is in strengthening policy advocacy. The importance of effective public action or advocacy in promoting socio-economic development has been extensively studied in

development theory.<sup>7</sup> However, the ability of citizens to effectively utilise this space is curtailed by lack of information and understanding of the role of the state in responding to the needs of the poor.<sup>8</sup> Budget work plays a crucial role in filling this gap. This is evidenced by the fact that this work evolved out of a need to strengthen the advocacy efforts of organisations such as Disha and Vidhayak Sansad. Using information gathered through budget analysis, Disha, for instance, fought and won a case in the Supreme Court to make the forest labourers' employment status 'permanent'. Vidhayak Sansad too has similar success stories where budget analysis provided the platform for successful advocacy with the state on issues of bonded labour. Significant among these was the incorporation of schemes for the rehabilitation of bonded labourers in the Maharashtra state budgets.

Perhaps the most important contribution that budget work has made to civil society efforts in policy advocacy is that it has carved a space within which civil society organisations can interact directly with legislators and parliamentarians and encourage them to push for pro-poor policies. The Tamil Nadu People's Forum has been particularly successful in effectively utilising this space. The Forum's budget cell sends regular dispatches, questions and analysis on various sectors to selected members of the legislative assembly. These dispatches have had a tremendous impact on the budget debates that take place in the legislative assembly and increasingly legislators themselves have approached the Forum for more information on these issues.

It can thus be argued that in engaging strategically with the state apparatus, budget groups have successfully broadened the scope and impact of advocacy for accountable and responsive governance. Budget groups, like civil society organisations more generally also distance themselves from mainstream party politics. However, the distinguishing feature of their approach is the recognition that working through the instruments of the state rather than directly confronting the state can be a powerful means of initiating transformation within the state. Essentially, these groups see the spheres of civil and political society as complementary to one another and they use the instruments of political society to further their objectives.

Despite the success that budget work has had in strengthening advocacy on social issues and encouraging legislatures to debate these issues more proactively, their impact remains limited and it can be argued that the advocacy potential of budget analysis has been underutilised. This is evidenced by the fact that budget work in India remains limited to a few states and there has been no concerted attempt by practitioners or academics to document this work. Two reasons can be offered for this. The first is a more generic problem of the lack of skilful and effective knowledge documentation and dissemination that confronts civil society organisations. Dissemination is always given secondary importance in the work carried out by CSOs and as a result, dissemination strategies are never weaved into the broader interventions and approaches followed by these organisations. Specifically for budget work, an effective dissemination strategy is critical to ensuring that it reaches a wider audience. Budget groups thus need to actively engage with the media, academics and policy-makers

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7 Dreze and Sen's work has been particularly influential in documenting and analysing the role that effective public action has played in promoting socio-economic development. See for instance, *Development as Freedom*, 1999, (Oxford).

8 This has been documented in a recent study examining the cause for the wide gap in development indicators between Kerala and Uttar Pradesh see Rani, Manju and Shah Shekhar, 'Why are Kerala and Uttar Pradesh so different in their human development outcomes?' World Bank Working Paper Series, 2003.

to publicise their work. An important aspect of any dissemination strategy is that of communication and presentation. Thus far, budget groups have failed to recognise the need to have distinct strategies to present and communicate their information and analysis to suit the needs of different audiences. Therefore, it is crucial that budget groups develop a more nuanced understanding of the process of dissemination so that they are able to communicate their work to a wider range of institutions and actors both within and outside the civil society space.

The second and perhaps more important reason for the limited impact of budget work is that budget groups have not attempted to broaden their network and engage with other movements and organisations that occupy the civil society space. While efforts have been made to develop a community of practice from amongst CSOs already engaged in budget work to disseminate the best practice and share experiences, this has not spread to the wider gamut of civil society action. The absence of such a network raises important questions regarding the legitimacy of budget work and the extent to which this work has been able to complement pro-poor advocacy undertaken by civil society. The irony here is that the uniqueness of budget work, in exploring new idioms beyond mass mobilisation for engaging with the state and enlarging the operative democratic space, has also become its limitation. Most budget work, with notable exceptions like Disha and Vidhayak Sansad, have weak links with social movements and grass roots groups. Attempts need to be made by budget groups to anchor their analysis in the work of social action groups in order to broaden their work and perhaps more importantly, complement the impact of mass mobilisation. Increasingly, leading activists in budget analysis have come to recognise this lacuna in their work. Manu Alphansoe of the TNPFSO makes a case for 'democratising budget analysis' through creating links with groups that work for the socioeconomic rights of the marginalised. Vivek Pandit of CBS too has echoed this position and argues that budget analysis needs to be substantiated and supported by people's lobbies that together can compel governments to listen.<sup>9</sup>

Perhaps then, the greatest challenge that confronts budget work in India today is that of strengthening its potential for advocacy. One way of doing this is through the creation of a network of civil society organisations engaged both in budget work as well as social action more broadly. These networks also need to include the media, academics and policy-makers. An interesting experiment in this direction has taken shape in the form of Centre for Budget and Governance Accountability (CBGA), an initiative of the National Centre for Advocacy Studies (NCAS). Interestingly, most of the actors involved in budget work in India have been actively involved with the creation, establishment and promotion of this centre. Established in 2002 in New Delhi with a mandate for networking with regional budget groups and the wider civil society, the centre aims to complement state level budget analysis with a national perspective as well as build the capacity of social action groups in the use of budget analysis to pursue their objectives. While the centre is still in its nascent stage of development and any analysis of its impact would be premature, it does have the potential to strengthen the advocacy impact of budget work and facilitate the formation of an effective network of budget groups, besides dialoguing with organisations that operate outside the ambit of budget work.

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<sup>9</sup> These comments were made during a seminar on Budget Work held in New Delhi in November 2003.

## Conclusion

In the last decade or so, budget work has emerged as an effective tool through which civil society organisations can push the state in directions that are transparent, accountable, responsive and perhaps most importantly pro-poor. The methodology of budget analysis uses hard quantitative data accessed from government sources, and analyses it using universally accepted and respected research techniques. This lends the initiative a high degree of credibility with the state thereby strengthening its potential to impact policy. Budget analysis can thus go a long way in complementing the diverse strategies adopted by the media, academics and civil society in their struggles for promoting just and accountable governance. Despite its importance, budget work remains largely unnoticed both by academics and practitioners in India. It has not been able to transcend the boundaries of professional development organisations to form alliances and networks necessary to provide the cutting edge to social action groups, media and other civil society actors.

Perhaps the most important contribution that budget work has made to the civil society discourse has been to demonstrate the importance and impact of enlarging the operative space available for engagement with the state. The currently used idioms and language for democratic social action, particularly that of civil disobedience has had a limited impact on Indian policy-makers. It is thus critical that social action groups find alternative mechanisms of using the democratic space beyond the traditional channels of elections, rallies and mass protests. By prioritising strategic engagement with the state through debate, research and analysis, budget work thus marks an important step in this direction.

# Popular Aspirations and Government Commitments: Revisiting the Perspectives and Positions on Budgets and Public Policies in Election Manifestos

*Siba Sankar Mohanty\**

**A**t the core of any functioning democracy is the notion that policy outcomes must reflect the desires of those who are governed. This link between popular desires and policy formulations depends on three basic elements of representation, stability and societal conflicts. While the issues of representation and stability are important, the last element of 'conflict' is of no less significance as no matter how desirable popular aspirations might be, it results in some form of short term loss for some entities. For a true representative of the common people, such conflicts may be ignored. But a Government that poses as a champion of the masses but thrives largely with the support of a powerful but miniscule section of the population, may opt to undermine popular aspiration and ignore the very promises it has made before the masses.

In a democracy, promises made by elected representatives for the wellbeing of the common people hold a lot of significance. Not just for the logic that the political formations are assessed by the relevance of these promises, but also because these promises reflect popular aspirations of the common people. Although, the way democracy is practiced in India has little relevance to electoral outcomes, in very subtle ways, these promises reflect a loose consensus of (at least) the numerous members of the political formations that uphold those promises. In this paper we try to present the significant issues raised by major political formations in India. Towards this, an analysis of the manifestos of the major political parties during the last General Election provides us critical insights into the gaps between the rhetoric and realities of upholding popular aspirations. An effort has also been made here to present an international context of popular aspirations and Government commitments.

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## **I. Political Parties Taking Clear Positions on Budget and Public Policy: Evidences from Selected Countries**

There are numerous examples of political parties taking clear policy positions for the well being of the masses and implementing those with adequate urgency after they come to power, irrespective of the financial position of the government or the economy. It is therefore argued that more than financial constraints, it is lack of political will which is a major hurdle in upholding popular aspirations. Take for example, the case of India and the issue of universalisation of education. The day the issue of 'Right to Education' was removed from the list of fundamental rights and thrown into the spurious list of 'Directive Principles of State Policies' in the Constituent Assembly during the making of our Constitution, the lack of political will was clear. Since then, several efforts were made to recognise the significance of right to education for the wellbeing of the masses, through initiatives like the Kothari Commission, Tapas Majumdar Committee, Right to Education Amendment and so on. But still, after almost seven decades of post independence planning and governance, we are struggling with huge number of out of school children, mostly from the deprived sections of our population.

On the other hand, there are several countries that have shown clear political will and priority to human resource needs of the people and to the promises they have made before the masses. Let us discuss two such issues (Right to Education and Right to Health) and the stories of countries revolving around those issues.

It is unfortunate that in the 21<sup>st</sup> century, Indian policymakers are making cost benefit analysis of providing right to education for all, though the significance of the issue has been in public domain for 2500 years since Plato's *Republic*. In countries like Austria and Prussia, compulsory primary education for all children between 5-13 years who established since late eighteenth century. There are many countries that were at par with India in terms of their economic as well as educational attainment and size at some point of time, but have made remarkable progress in universalising education in recent years. One such country is China. In 1986, the National People's Congress under the leadership of Chinese Communist Party (CPC) promulgated the "Compulsory Education Law of the People's Republic of China", by placing basic education in the country on a legal basis. By 2002, China achieved enviable targets like 99 percent enrolment rate in primary schools, access of junior secondary schools by 97 percent of primary school pass outs and 58.3 percent of the junior secondary school pass outs continue their study in senior secondary schools. By the end of 2002, the Nine-Year Compulsory Education (NYCE) had been universalised in the area where 90 percent of the population inhabits; the highest rate among the E-9 countries.

Similarly, the Cuban Communist Party with miniscule economic resources could give topmost national priority to healthcare facility for all citizens. In 2006, BBC undertook a survey of *World's Best Public Services* and considered Cuba's healthcare as one such example of best public service. The report by BBC states that "life expectancy and infant mortality rates are pretty much the same as the USA's. Its doctor-to-patient ratios stand comparison to any country in Western Europe. Its annual total health spend per head, however, comes in at \$251; just over a tenth of the UK's".



There are also several other countries where political parties have taken clear policy positions and have been able to improve the lot of the common masses. In 2005, Vladimir Putin of Russia announced a social orientation in the domestic policy. As described by Putin himself, it was a “policy of investment in people, and, hence, in Russia’s future.” Government policy had focused on improving the living standards of the Russian people. This was the goal of the priority national projects, which were introduced in 2006. The projects covered the most important and backward spheres, such as healthcare, education, housing and agriculture. Russia saw the results of such social investment very quickly. By 2007, under the public health project, more than 40,000 units of diagnostic equipment and over 13,000 ambulances had been purchased; more than 90 percent of mothers had received birth vouchers; free medical care had been provided to 1.3 million women and more than 300,000 children; 1.2 million of newborn children had been screened for five congenital diseases; 300,000 patients had been given high-tech medical assistance; massive campaigns on preventive medical examination and vaccination had been conducted. After the collapse of the Soviet Union, with a prolonged economic crisis and complete withdrawal of Government, the health situation had worsened significantly. But the latest surge in investment clearly shows that if the Government has the will to change the situation it will definitely find a way.

A more detailed analysis on the significance of clear policy stands by international political parties and Governments is beyond the scope of this paper. In the following section we have focused on the political manifestos of some major political parties in India and the policy positions they have taken.

## II. A Review of the Election Manifestos of Major National Political Parties Brought Out in 2004 Consider ???

The promises made by different political formations are in several cases repetitive. We have tried here, to highlight only those promises which are either quantifiable or specific to some clear policy agenda.

### **Box-1: Major Announcements Made in the Manifesto of the Indian National Congress during General Election, 2004**

- 1 The Congress will pursue an Agriculture First strategy in resource allocation. Public investment in agriculture will be stepped up substantially with focus on the backward and poor regions. This will cover irrigation, electrification, go-downs, marketing, research and extension. The flow of agricultural credit would be doubled in the next three years. A special technology and extension programme for dry land farming will be introduced.
- 2 30 percent of all funds flowing into *panchayats* and *nagarpalikas* will be earmarked for programmes relating to the development of women and children and focus on the special needs of female agricultural labour and women cultivators.
- 3 The Congress pledges to raise public spending in education to at least 6 percent of GDP with at least half of this amount being spent on primary and secondary schools.
- 4 The Congress will raise public spending on health to at least 2-3 percent of GDP, with the focus on primary healthcare over the next five years and to around 5 percent of GDP over the next decade.
- 5 Without increasing tax rates, the Congress believes that the present Tax: GDP ratio of 14-15 percent must be raised to at least 18 percent by the end of the decade.

### **Box-2: Major Announcements in the Manifesto of the National Democratic Alliance during General Election 2004**

1. Doubling the income of *kisans* by 2010, reducing the cost of cultivation, enhancing yields, and increasing prices receivable by farmers.
2. Double the rate of growth of public and private investment in agriculture.
3. Completion of all ongoing irrigation projects (major, medium, and minor) within five years to create irrigation for an additional 35 million hectares of land.
4. Adequate supply of quality power will be ensured to all farmers by 2009.
5. A Rs. 1,000 crore *Mandi* Development Fund will be created to support modernisation of agriculture markets.
6. Village electrification will be completed by 2007 through an accelerated implementation of the programme and will cover 1 crore households and 1 lakh villages.
7. All villages will have primary health centres within the village, dispensaries within five to eight kilometers and referral hospitals within twenty kilometers.
8. Provisioning Urban Amenities in Rural Areas (PURA) will be launched before August 15, 2004.
9. 8.4 crore uncovered rural households will have access to basic sanitation either their own or community-owned. There shall be no *Anganwadi* centre or rural/urban school without water and toilet facilities by 2005?? (or 2015).
10. Every rural habitation in the country, including those that have slipped back into the Partially Covered or Non-Covered status, will be provided an assured source of drinking water supply by 2007.
11. *Pradhan Mantri Gram Sadak Yojana*: Linking all rural habitations with a population above 1,000 by 2005; linking all rural habitations with a population above 500 by 2007.
12. Elimination of electricity shortages by 2012; significant reduction by 2009.
13. At least 50,000 MW of additional generation capacity will be created over the next five years. Work on projects with a combined capacity of 12,000 MW (of which 8,000 MW in the private sector) will start before the end of 2004. Housing for All by 2010.
14. Progressive social security scheme for 37 crore people in the unorganised sector
15. One crore additional employment and self-employment opportunities each year
16. Spending on education will be raised to 6 percent of the GDP in five years. Literacy rate of 85 percent will be achieved in five years. Our vision is to see that Indian society becomes fully literate by 2015
17. Total public spending on healthcare to reach 4 percent of the GDP in the next five years
18. Coverage of the "*Antyodaya Anna Yojana*" (which provides wheat at Rs. 2 a kg and rice at Rs. 3 a kg) will be increased from 2 crore to 5 crore poorest families in five years.
19. 33 percent reservation for women in Parliament and State Legislatures

### **Box-3: Major Announcements in the Manifestos of the Left Parties during General Election 2004**

1. Keeping in mind that seventy percent of the people of India live in the rural areas, the single most important step for rural transformation is the implementation of land reforms.
2. Reintroduction of universal system of PDS and giving up targeting in the name of reaching the poor.
3. BPL cards should be available for all those who are not income -tax payers.
4. The *Antyodaya* scheme should be expanded to cover all sections of the rural poor.

5. One-third reservation for women in the legislatures and to work for its passage in the new parliament.
6. Important amendments to the Domestic Violence Bill moved by women's organisations and will work for its passage.
7. Universalisation of child care services; all children upto 6 years should be in *anganwadis*.
8. Free and compulsory school education can be attained only if it is accompanied by free mid-day meals, provision of textbooks and other educational materials.
9. Allocation of 10 percent of the union budget for education. Support to mass literacy programmes.
10. Increasing the expenditure on public health by the Government to 5 percent of the GDP.

While the list presented above provides an outline of major promises by the Government that have some budgetary or governance significance (like the women's reservation and domestic violence issues) most of the promises lack either any specific blueprint for implementation or they do not have any concrete financial commitment to back these promises. However, clarity on the method of financing the promises is not a sufficient condition of their realisation. A promise needs to be backed with a proper implementation strategy. At the same time there should be sufficient political will to keep those promises. A specific mention may be made here regarding the 2004 manifesto of the NDA. Although, in comparison to manifestos of other political parties, the NDA manifesto is a more detailed one and also includes specific plans to meet those commitments, many of these promises are reiterated as unfinished agenda of the 1999 manifesto. Similarly, a large part of the manifestos of the left parties and that of the Congress were reiterated in the National Common Minimum Programme of the UPA Government. Box-4 presents the major announcements made in the NCMP as part of its post election promises to perform as a united front with the support of the Left parties and several regional parties. It is no wonder that the UPA's NCMP contains several promises made in the pre election manifestos of the Congress and the Left Parties. But the promises in the NCMP are clearer in terms of their approach and methodology of implementation compared to individual party manifestos. Is a manifesto supposed to or expected to contain such discussions? For example, enacting a legislation regarding the Domestic Violence Act does not automatically prevent domestic violence. It needs necessary infrastructural support as well as financial commitment to maintain such infrastructure. In the absence of financial commitments, making progressive legislations only serve the purpose of pseudo self-appreciation and rhetoric, although making necessary legislations are a critical first step towards the goal.

### **Box-4: Major Announcements in the NCMP after UPA Assumed Power**

#### **Agriculture**

1. The UPA Government will ensure that public investment in agricultural research and extension, rural infrastructure and irrigation is stepped up in a significant manner with irrigation receiving the highest investment priority.
2. The UPA Government will ensure that the flow of rural credit is doubled in the next three years
3. The UPA Government will ensure that Government agencies entrusted with the responsibility for procurement and marketing will pay special attention to farmers in poor and backward states and districts.

**Education and Health**

1. The UPA Government pledges to raise public spending in education to at least 6 percent of GDP with at least half this amount being spent on primary and secondary sectors.
2. The UPA Government will introduce a cess on all central taxes to finance the commitment to universalise access to quality basic education.
3. A national cooked nutritious mid-day meal scheme, funded mainly by the Central Government will be introduced in primary and secondary schools.
4. The UPA Government will raise public spending on health to at least 2-3 percent of GDP over the next five years with focus on primary healthcare.

**Employment**

1. The UPA Government will immediately enact a National Employment Guarantee Act.
2. The UPA Government will give the highest investment, credit and technological priority to the continued growth of agriculture, horticulture, aquaculture, floriculture, afforestation, dairying and agro-processing that will significantly add to the creation of new jobs.

**Food and Nutrition**

1. The UPA will work out, a comprehensive medium-term strategy for food and nutrition security. The objective will be to move towards universal food security over time, if found feasible.
2. The UPA Government will strengthen the Public Distribution System (PDS), particularly in the poorest and backward blocks of the country and also involve women's and ex-servicemen's cooperatives in its management.

**Women and Children**

1. The UPA Government will take the lead to introduce legislation for one-third reservation for women in *Vidhan Sabhas* and in the *Lok Sabha*.
2. Legislation on domestic violence and gender discrimination will be enacted.
3. The UPA Government will ensure that at least one-third of all funds flowing into *panchayats* will be earmarked for programmes for the development of women and children.
4. Complete legal equality for women by enacting new legislation that gives women, equal rights of ownership of assets like houses and land.

On several occasions, political parties have resorted to disruptive politics when its own promise is implemented by other political parties. For example, the issue of 33 percent reservation for women in Parliament and State Legislatures is one of the significant elements of the NDA manifesto. However, the members of Parliament from NDA along with some of the UPA constituents opposed the Bill from being tabled in the Parliament by the present UPA Government. This shows the sheer hypocrisy of our policymakers in raising issues for vested electoral mileage and abandoning them when the opportunity for their implementation comes. Without going into such issues in detail, let us discuss some of the core elements of popular aspiration in the manifestos presented in boxes above. In the following paragraphs, we have tried to analyse the manifestos in terms of the perspective of the poor and the marginalised.

The most talked about sectors in the manifestos of different political parties during the last general election were probably agriculture and the rural economy. The approach to deal with these was however, different for different groups. The Congress wanted to give number one priority to this

sector for resource allocation and promised to double the rural credit flow. The NDA wanted to double the income of *kisans* and the rate of growth of agricultural investment through private sector participation. The NDA emphasised that developing the agricultural marketing system. On the other hand, the left parties recognised the need to increase investment in the sector, and I have a lot of importance to equitable distribution of factors of production in the agrarian economy, by raising the issue of land reforms. Both NDA and UPA (where Congress is the major stake holder) had been at the helm of affairs for the last ten years. Unfortunately agriculture was never accorded adequate priority by successive Governments. Meanwhile, the agrarian crisis further intensified and the economic conditions of the rural people deteriorated. Table-1 throws light on this issue. During the NDA rule, between 1999-2000 and 2003-04, the investment in agriculture declined from 2.2 percent of GDP to 1.9 percent of GDP. After that the UPA Government maintained the investment in the sector at a lower level. It is therefore not enough to make promises which are not going to get reflected in the policy formulation.

**Table-1: Investment in Agriculture in India**

Year	Investment in Agriculture (1999-00 prices)			Share in Agricultural Gross Investment		Investment in Agriculture as % of GDP at Constant Prices
	Total	Public	Private	Public	Private	
1999-00	43473	7716	35757	17.7	82.3	2.2
2000-01	38735	7155	31580	18.5	81.5	1.9
2001-02	47043	8746	38297	18.6	81.4	2.2
2002-03	46823	7962	38861	17.0	83.0	2.1
2003-04	45132	9376	35756	20.8	79.2	1.9
2004-05	48576	10267	38309	21.1	78.9	1.9
2005-06	54539	13219	41320	24.2	75.8	1.9

Source: Economic Survey 2006-07, GoI

Both the Congress and the NDA had pledged to set aside 6 percent of GDP for education in their respective manifestos. On the other hand, the left parties had mentioned an allocation of 10 percent of the total union budget on education. While the Congress had mentioned spending half of the amount on elementary and school education, the NDA manifestos talked about total literacy issues. It is now established that the total Government expenditure as percent of GDP has remained much below the promised level. It is important to assess the seriousness of both the parties on the issue of providing education for all in the light of the 93<sup>rd</sup> Amendment Act, which recognises education as a fundamental right. Table-2 shows that expenditure on education in fact declined compared to previous years, after the announcement of the Right to Education Act in the Parliament. While the issue of spending 10 percent of the total budget on education is maintained by both the Union and the State Governments, as a percentage of GDP, it has declined from 2.89 percent in 2002-03 to 2.86 percent in 2006-07. Similar is the case with the allocation on health services. While the Congress promised raising the expenses on health services to around 2 percent of GDP, the NDA

promised an expenditure of 4 percent of GDP. However, in terms of delivering the promises, neither of the parties ever took up the issue seriously. Although a substantial improvement is noticed in the allocations by the Central Government in recent times, in absolute terms, it is far behind the promised level. Expenditure on health services by both centre and the states still remains less than 1 percent of GDP during the regime of both political parties.

**Table-2: Combined Public Expenditure on Education in India**

Year	As a Proportion of Total Government Expenditure	As a Proportion of GDP at Current Market Prices
2000-01	11.70	3.03
2001-02	11.22	2.98
2002-03	10.83	2.89
2003-04	10.21	2.75
2004-05	10.44	2.74
2005-06	10.62	2.89
2006-07 BE	10.97	2.86

Source: Siba Sankar Mohanty (2008) "4<sup>th</sup> Public Report Reviewing NCMP Promises", WNTA

**Table-3: Budgetary Allocations on Health Services in India**

Year	Centre's Expenditure	States' Expenditure	Total Expenditure of Centre and State	Central Government Expenditure as % of GDP	Total Expenditure as Percent of GDP
2002-03	6503.81	17094	23597.8	0.26	0.96
2003-04	7249.14	18235	25484.1	0.26	0.92
2004-05	8085.95	19617	27703	0.26	0.89
2005-06	9649.24	22,031	31680.2	0.27	0.99
2006-07	11757.7	28,435	40192.7	0.29	0.98
2007-08 RE	14974.3	31,283	46,257	0.32	0.99
2008-09 BE	18123			0.34	

Source: CBGA "Response to union budget 2008-09: Reaffirming Rhetoric"

To conclude, it can be mentioned that it is important to make promises as this is a way of acknowledging and identifying the real needs of the masses as perceived by an individual political entity. All promises need to be clear in perspective and should include a proper action plan for implementing the same. But all these are meaningful only when the Government and the party in opposition have a clear preference for popular aspirations over petty political interests and necessary political will is exhibited to work towards keeping those promises.



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**PART TWO**

**RIGHT TO EDUCATION**

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# Education for All in India: Assessing Progress towards Dakar Goals\*

*R. Govinda*

It is around sixty years ago that India began its programme for providing free and compulsory education to all children by transforming the elite oriented system of school education inherited from the colonial rulers to a mass education programme. The task became a virtual race against increasing population which outstripped the pace at which children could be enrolled and educated in schools. Notwithstanding this demographic challenge, the system grew in size and with that the number of children participating in schooling also grew multifold. The struggle to reach the long cherished goal of universal elementary education continues even today.

## **Education for All (EFA) in the 1990s: Decade of Mobilisation**

In this long and arduous journey yet unfinished, 1990s marked a period of great significance. From the economic angle the decade began with a very unfavourable note; the country was faced with a real crisis in balance of payments. Yet, in the education sector major initiatives took shape during the decade as follow up of the National Policy on Education adopted in 1986. For the first time, Government of India inducted itself as a major player in the task which had been hitherto left to the state governments to deal with. A massive infrastructure development and teacher recruitment drive was initiated under the Operation Blackboard Scheme; targeted investments were made in selected districts across the country under the District Primary Education Programme; brought additional resources for the sector through involvement of bilateral and multilateral donors; teacher support mechanisms were strengthened at district, block and cluster levels. While these increased investments continued, the real character of the decade lay in its programmes of mass mobilisation. Early 90s saw the emergence of large scale mobilisation under the National Literacy Mission across the country fueling the demand for primary school enrolment. It also created a huge army of education volunteers. This was accompanied in the primary education sector by a number of major

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grassroots programmes such as the Lok Jumbish in Rajasthan, Jan Sampark Abhiyan in Madhya Pradesh and so on. Village education committees and mother-teacher associations became active across the country. The campaign for ‘Right to Education’ led by the NAFFRE (National Alliance for Fundamental Right to Education) held primary education at the centrestage of public attention through out the decade. Large number of non-state actors emerged on the scene working for primary education at the grassroots level. Corporate interest in supporting primary education activities concerning the marginalised groups heightened giving birth to such pan-India initiatives as *Pratham*. The latter part of the decade also witnessed increased media attention and public discourses on the state of primary education. Legislative moves to bring elementary education under *Panchayati Raj* Institutions (local self-governments) gave further impetus to community mobilisation at the grassroots level. Thus one could aptly characterise the Jomtien Decade of 1990s in India as the ‘decade of social mobilisation for basic education.’

## The Post-Dakar Progress

Riding on the crest of mass mobilisation and intensive demand generation in the previous decade, the first decade of the new millennium opened on a highly positive note in many ways. The economy surging ahead became increasingly capable of meeting the increased demand for finances arising from enhanced enrolment from domestic sources. A clear indication to this effect could be seen in the levying of 2 percent education cess at national level on all taxes collected and creating a non-lapsable dedicated fund for primary education. The country has, indeed, recorded significant progress in creating infrastructure and getting children into primary schools.

**Table 1: Progress in Elementary Education**

Indicators	1950-51	2000-01	2001-02	2002-03	2004-05
No. of Elementary Schools	223600	845007	883667	897109	1042251
No. of Teachers in Elementary Schools (in million)	.624	3.22	3.39	3.49	3.75
Enrolment in Lower Primary Schools - Classes 1-5 (in millions)	19.20	113.83	113.90	122.4	130.8
Enrolment in Upper Primary Schools - Classes 5 - 8 (in millions)	3.00	42.81	44.80	46.9	51.2
Enrolment in Elementary School Stage - Classes 1-8 (in millions)	22.20	156.64	158.70	169.3	182.0
Average Pupil Teacher Ratio at Elementary Stage	35.56	48.6	46.8	48.5	48.5

Sources: Selected Educational Statistics: 2003-04 and 2004-05, MHRD, GOI, New Delhi; and Education in India, MHRD, GOI.

**Table 2: Gross Enrolment Ratio 2000-04**

Year	Primary I-V (6-11 years)			Upper Primary VI-VIII (11-14 years)		
	Boys	Girls	Total	Boys	Girls	Total
2000-01	104.9	85.9	95.7	66.7	49.9	58.6
2001-02	105.3	86.9	96.3	67.8	52.1	60.2
2002-03	97.5	93.1	95.3	65.3	56.2	61.0
2003-04	100.6	95.6	98.2	66.8	57.6	62.4

Source: Selected Educational Statistics: 2003-04 MHRD, GOI, New Delhi, 2006. (Provisional)

**Table 3: Dropout Rates at Primary and Elementary Levels, 2000-04**

Stage	2000-01	2001-02	2002-03	2003-4
<b>Primary Schools (I-V)</b>				
Boys	39.7	38.4	35.85	33.74
Girls	41.9	39.9	33.72	28.57
Total	40.7	39.0	34.89	31.47
<b>Elementary Schools (I-VIII)</b>				
Boys	50.3	52.9	52.28	51.85
Girls	57.7	56.9	53.45	52.92
Total	53.7	54.6	52.79	52.32

Source: Selected Educational Statistics: 2003-04, MHRD, GOI, New Delhi, 2006. (Provisional)

As can be seen from the figures presented above, the number of primary schools increased speedily in the last 5-7 years under the auspices of the national flagship programme for primary education, aptly called the *Sarva Shiksha Abhiyan* (Education for all campaign) launched in 2001. This fast pace of increase in number of schools was the result of a conscious decision to move away from the traditional norms of population size and distance and establishing primary schooling facilities even in smaller habitations. This is also evident from the huge jump in the enrolment figures particularly at the lower primary stage. The figures also pose a clear challenge to be addressed in the years to come, namely, the number of children who dropout without completing the school cycle. The dropout rates, though have shown a declining trend in recent years, are quite high with about 30 of 100 children not completing even five years of schooling. The figure goes up further to more than 50 if one considers the 8-year cycle of elementary schooling which corresponds to the mandated period of free and compulsory education in India. The task ahead is to make the system more inclusive ensuring that those who continue to remain on the margins of the school system get incorporated into the process effectively so that failure of the school to retain and impart basic learning does not become the cause of continued high illiteracy rates in the country.

One may wonder if the country will be able to sustain such a high level of growth in enrolment at the primary stage in the years to come. How will the increased financial burden be met? What about the investment needed to upgrade the facilities in these schools to meet the concerns of quality education? A careful analysis of the changing demographic factors offers a positive outlook on this front. For the first time in Independent India, the Census figures showed that the absolute number of illiterates had fallen, signifying that education provision has finally been able to catch up with the demographic growth. Indeed, the decade is witnessing major benefits from the demographic changes in the country. The cohort entering primary schools have begun to fall in many parts of the country making a significant impact on the resources needed to meet the goals of universal elementary education.

As we assess the progress in the middle of the decade, several parts of the country are on the threshold of achieving universal enrolment of children in primary schools, even while a few regions continue to be in a near crisis condition. It is clear that most of the EFA targets, though difficult, are achievable. But, routine input oriented strategies have to give way to new imaginative initiatives to reach the unreached areas and sections of the population; attention has to be paid to what is being delivered and how it is being delivered rather than merely on creating infrastructure and appointing teachers. The present paper attempts to capture briefly the quantitative progress made since 2001 with respect to different goals of EFA and highlights the policies being framed and strategies being worked out to achieve greater equity and quality in provision of basic education.

### **On the Policy Front: Move to Adopt a Rights based Approach**

The Convention on the Rights of the Child (CRC) formulated in 1989 and the World Declaration on Education for All adopted in 1990, marked the beginning of a new era of advocacy and action in favour of children at the global level. The Jomtien Declaration placed education at the centre stage in ensuring the welfare of children by declaring it as a basic need at par with other human and social needs and therefore an inalienable right of every individual and a basic obligation of the whole humankind. Within India, recognition to this perspective has come with the amendment to the Constitution in 2002 making education a fundamental right of every child in the age group 6-14. Further the establishment of the National Child Rights Commission in 2006 which alludes in its Preamble to the CRC firmly places ‘rights perspective’ as the guiding framework for achieving the goal of education for all in the country.<sup>1</sup>

But operationalising the ‘rights’ framework is not going to be smooth. First, it is necessary to establish standard setting instruments on what such a right would entitle a child who gets into the ambit of organised education, namely, the formal elementary school. The legislation ‘Right to Education’ which is passed by the government and awaiting President consent makes some concrete progress in this direction. But even more difficult is the task of determining the extent of violation of the fundamental right in case of those millions of children who remain outside the formal school

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<sup>1</sup> For a more detailed discussion on the issue of Rights based approach to providing free and compulsory education to all children in India, see R.Govinda (2007), “*Universal elementary education in India through child rights lens: Some reflections*”, in Amit Kaushik (Ed.) *Shiksha: Challenge of Indian Education*, New Delhi: Buffalo Publishers.

either because they never get enrolled or dropout from school during the constitutionally mandated age of 6 to 14 years. Further, if one takes into cognisance the results of several achievement surveys conducted recently, what about the right of those who suffer silent exclusion even while sitting in the classrooms as the schools fail to impart any learning?

### **Delineating Exclusion<sup>2</sup>**

Exclusion of children from formal education framework effectively denying their right to education requires careful analysis. First category of the excluded consists of those who altogether fail to enter the school – those who fail due to absence of educational facilities within accessible limits and those who do not enter primary school despite its presence in the neighbourhood. The number in this category has been falling fast. What was around 29 million out of around 200 million children in 2002-03 has come down to around 9 million in 2006. Demand for schooling does not seem to be a serious issue any more. Yet, those who are still unreached either due to non-availability of schooling facility or due to their inherent inability are those who are highly disadvantaged and need special strategies to be incorporated into the school system. The second category of excluded consists of the large number of children who join schools but dropout without completing the elementary school cycle. Though this number is falling, as noted above, recent data indicate that even now at least three out of ten children joining the school dropout in the early years of the compulsory schooling period without acquiring even basic literacy and numeracy skills. Third zone of exclusion consists of those who dropout after completing only 4-5 years of schooling; those who do not transit from lower primary to upper primary schools and thus do not complete 8 years of mandatory elementary education. These children may acquire some literacy skills but are largely unsustainable if no provision for continuing education is made available. There are also other kinds of exclusion. For instance, even while attending the schools children face social and cultural barriers and discriminatory practices in admission and evaluation as well as adverse teaching learning conditions in the school defeating the very purpose of universal education. Besides, if quality education as specified in the Dakar Declaration is to be considered, recent surveys such as the ASER (2005 and 2006)<sup>3</sup> show that a large proportion of children even while attending and completing school cycle remain silently excluded as very little or no learning takes place for them; a large majority of them end up without mastering even basic skills of literacy and numeracy. Many of these excluded categories grow up as nonliterate or semiliterate youth and adults as time passes affecting the overall literacy rate of the country. The question therefore for progressing towards EFA goals in India is not any more of providing inputs and infrastructure in general, but one of identifying who and where are the excluded groups of children, youth and adults and devising strategies for reaching quality basic education to all of them.

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2 The concept of 'zones of exclusion' has been developed for studying the phenomenon of primary school participation under the project of the Consortium for Research in Educational Access, Transition and Equity. See for more details.

3 Pratham (2005 & 2006), "*Annual Status of Education Report*", New Delhi.

## Addressing the Twin Problems of Regional Disparities and Social Inequities

Unevenness of spread of education reflected in persisting regional imbalances and social inequities is a historical legacy inherited from the British past or even beyond. During the colonial period, some princely states such as Travancore and Baroda moved ahead with a forward looking leadership; Baroda introduced compulsory education more than 100 years ago, in 1893. Also, better attention was bestowed on some parts by the British rulers and progress was achieved due to a combination of Government attention and private efforts, which included missionaries and a number of indigenous charitable organisations driven by a nationalistic spirit. While these efforts by the Government of the day coupled with private efforts attempted to compliment each other, they were never comprehensive enough, thus leading to a skewed development of education in the country. The system remained elitist, despite efforts by the nationalist leadership, accessible only to the upper segments of the society. In fact, British rulers openly advocated such a policy of elitism through the principle of downward filtration and therefore, the ensuing imbalances and inequities were not viewed as serious anomaly.

The advent of independence and the Indian Constitution laying the foundations for an egalitarian society based on principles of equity and social justice made educational provision an obligation of the State. Consequently, the State took upon itself the responsibility of overcoming imbalances and inequities through a planned development of the sector. However, even recently, the persisting problem of imbalances and inequities was amply recognised by the Planning Commission: “Regional, social and gender variations in literacy continue to remain serious areas of concern. There are at least seven major states with more than 15 million illiterates each, accounting for nearly two-thirds of total illiterates in the country. Though the gender gap has narrowed since 1991, it is still big. The literacy rates for SCs (54.69 percent) and STs (47.10 percent) are far below the national average.”<sup>4</sup> With nearly six decades of independence and having completed ten cycles of five year development planning how far have we succeeded in building a mass education system with an even spread across the country and among all sections of the society? And, if we are still in the process of building such a system, who and where are the educationally deprived? What has been the response of the State to achieve better balance and equity in education development? The paper examines these questions with particular focus on progress in the post-Dakar phase. The major focus of analysis is to look at the persisting interstate disparities and review the state of education development among different social groups. The paper also examines the policies and programmes promoted at the national level to overcome such disparities.

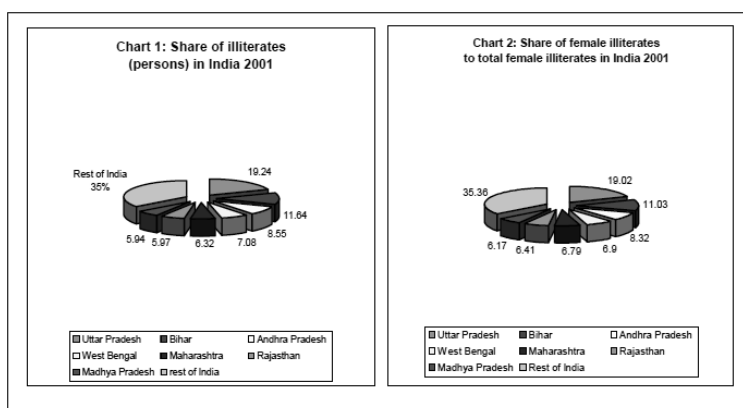
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4 Planning Commission (June 2005), *Mid-Term Appraisal of 10th Five Year Plan (2002-2007)*, New Delhi: Government of India.

## Mapping literacy status across Indian States<sup>5</sup>

Independent India began its educational journey with a serious handicap as only around 18 percent adults possessed basic literacy skills. The situation has vastly changed as successive generation got the opportunity to pursue school education. Thus, examining literacy status across the country indirectly reflects on the efficiency and effectiveness of the school system that has grown multi-fold during the last six decades. Over the last five decades, there has been an impressive growth in literacy in India. In 1901, a little over 5 percent of Indian population was literate, which increased to around 16 percent in 1950, a mere increase of 11 percentage points in the literacy rate during the first half of the century. In the post-independence period, the decadal growth in literacy has shown a substantial progress. In 2001, almost two-thirds of India's population (65.38%), and around three-fourths of males (75.85%) and more than half of females (54.16%) were literate. What has been the progress since 2001? This is not easy to compute. In any case, sustained increase in adult literacy depends very much on improving the efficiency and effectiveness of elementary schooling. The need therefore is to locate difficult areas and social groups that need special attention. Analysis of the data from 2001 census provides considerable insight on this issue.

As Charts 1 and 2 reveal, seven states carry the burden of two thirds of the illiterate population in the country. In fact 60 percent of the illiterate population is accounted for by the states of UP, Bihar, West Bengal, Rajasthan, Madhya Pradesh and Andhra Pradesh which had been among the nine states identified as educationally backward nearly three decades ago.



Regional variations in literacy rate become more pronounced when analysis is done at the district level. According to 2001 census, around one-fifth of 591 districts<sup>6</sup> (i.e. 81 districts) have literacy rate equal to or less than 50 percent; most of the low literacy districts (26 districts having literacy rate less than 40 percent) are located in the states such as Bihar, Jharkhand, Orissa and Uttar Pradesh. In terms of absolute number of illiterates in 2001, the top 100 districts are found in 11 states – Andhra

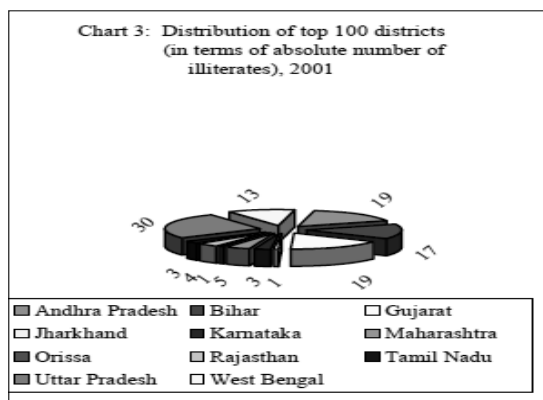
5 See R.Govinda and K.Biswal (2005), "Mapping literacy in India: Who and where are the illiterates in India", GMR Background Papers, Paris: UNESCO.

6 Census of India (2001) has been conducted in 591 districts out of the total 593 districts.



Pradesh, Bihar, Gujarat, Jharkhand, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal (see Chart 7). These districts are home to 120.03 million illiterates (around 40 percent of illiterates of the country). In fact, sixty-seven districts in the country spread over 9 states are having million plus illiterates, together accounting for 88.51 million illiterates (see Map 2). These districts are spread over nine states some of which are otherwise educationally advanced. Female illiteracy rate is more than 50 percent (maximum of 81.51 percent) in 253 districts mostly located in Andhra Pradesh, Arunachal Pradesh, Bihar, J and K, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, and Uttar Pradesh (see Chart 3). These districts have 104.62 million female illiterates, which accounts for 54.51 percent of female illiterates in the country. In 17 districts, more than 3/4th of the females are illiterates.

The variation in the literacy rate across social groups and household types is also very high. In terms of social status, the population can be grouped into four categories – i.e. Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC), and others. The SC and ST population are generally disadvantaged in most of the states in India. According to the 2001 census, India has 16.2 percent and 8.2 percent of SC and ST population respectively. The greatest concentration of population of SCs is in Andhra Pradesh, Tamil Nadu, Bihar, West Bengal, Uttar Pradesh, Uttaranchal, Punjab, Rajasthan, Himachal Pradesh, Maharashtra, Karnataka, and Orissa. Besides the northeastern states, STs are found in greater numbers in Orissa, Maharashtra, Madhya Pradesh, Jharkhand, Chhattisgarh, Gujarat and Rajasthan. It may be noted that the educational status of ST households is relatively better in majority of the northeastern states.



Analysis of Census 2001 and National Sample Survey data reveals that the seven states having around 65 percent of illiterates have high concentration of SCs and STs, and the illiteracy rates of agricultural and casual labour households are relatively very high. Besides, in most of the states, where female illiteracy rate is high, the percentage share of females in total agricultural labourers is also high. However, there are a few states where high female illiteracy rate is accompanied by low share of female agricultural labourers, primarily because women are engaged in other household based paid activities or other commercial activities, particularly in Rajasthan and northeastern states.

District level analysis also shows that the correlation coefficients among the number of illiterates, SC and ST population and the number of agricultural labourers are extremely high, positive and significant. A correlation coefficient of 0.750 (significant at 0.01 level) supports the fact that irrespective of the social characteristics, low economic status of the households (agricultural labourers as a proxy variable) contributes to high illiteracy rate.

**Table 4: Correlations among illiterates, SC and ST population, and agricultural labour in India, 2001 (based on district level records, N=591)**

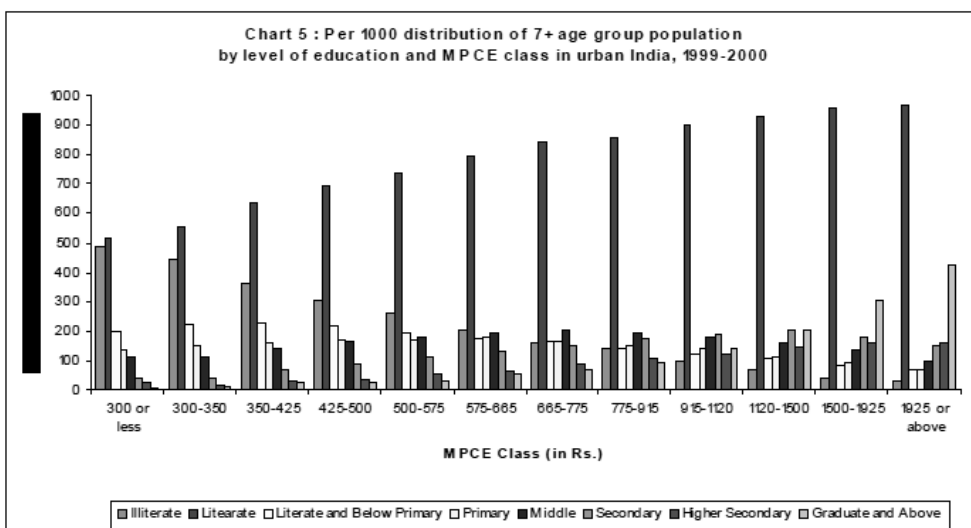
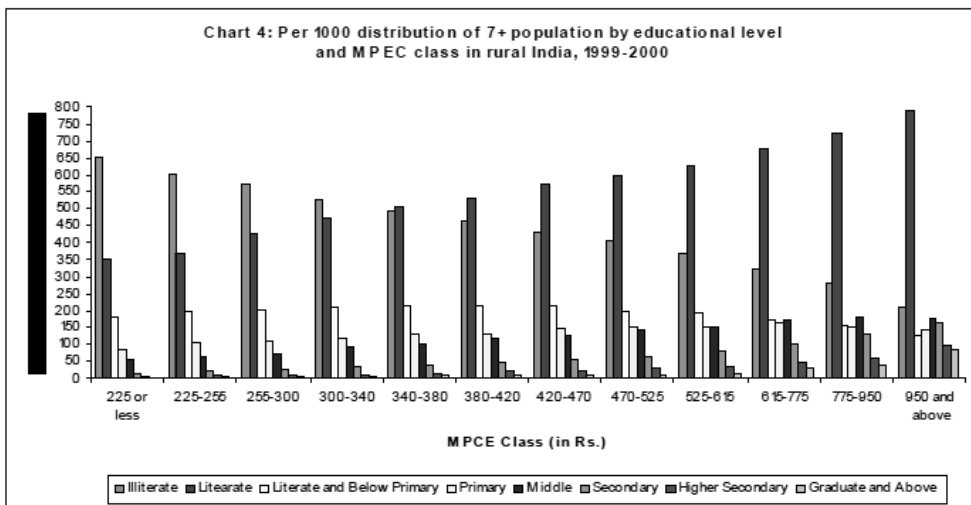
	Number of illiterates (persons) 2001	SC population (persons) 2001	ST population (persons) 2001	Estimated number of agricultural labourers 01
Number of illiterates (persons) 2001	1.000	0.711**	0.142**	0.750**
SC population (persons) 2001		1.000	-0.097*	0.524**
ST population (persons) 2001			1.000	0.212**
Estimated number of agricultural labourers				1.000

\*\*Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

This finding is further supported by the findings of the National Sample Survey - 55<sup>th</sup> round that the level of illiteracy and the Monthly Per Capita Consumer Expenditure (MPCE<sup>7</sup>) of households are inversely related to each other. As per NSS, 55<sup>th</sup> round, the educational attainment and economic status of households are directly related to each other. Illiteracy rate is relatively high among members of households having low MPCE, both in rural and urban areas. Compared to urban areas, the literacy rate increases at a relatively slower rate with increase in the MPCE of rural households. In fact, the illiteracy rate declines very sharply with the increase in the MPCE of the urban households.

7 MPCE is defined in NSS, 55<sup>th</sup> round as the per capital consumer expenditure in the last 30 days of the survey. MPCE = (Household's last 30 days total consumer expenditure / Household size). In the NSS (2001), the 55<sup>th</sup> round, the MPCE classes have been assigned to households based on the data with reference period of "365 days" for items of education, medical expenses (institutional, clothing, footwear, and durable goods and of "last 30 days" for the rest of the items. NSSO, Report No. 473, p. 11.



Compared to rural areas, the percentage share of secondary school graduates and above increases at a faster rate with the increased MPCE of the urban households. In other words, MPCE as a variable directly explains the economic characteristics of the household, and now, it is evident that poverty is the most important factor explaining the low literacy level of rural households. Besides, cultural factors also contribute to the low literacy status of households, particularly in the Hindi heartland on India.<sup>8</sup>

<sup>8</sup> For a detailed discussion, see Gupta, Shaibal, 2000.

## Progress in the provision of Early Childhood Care and Education

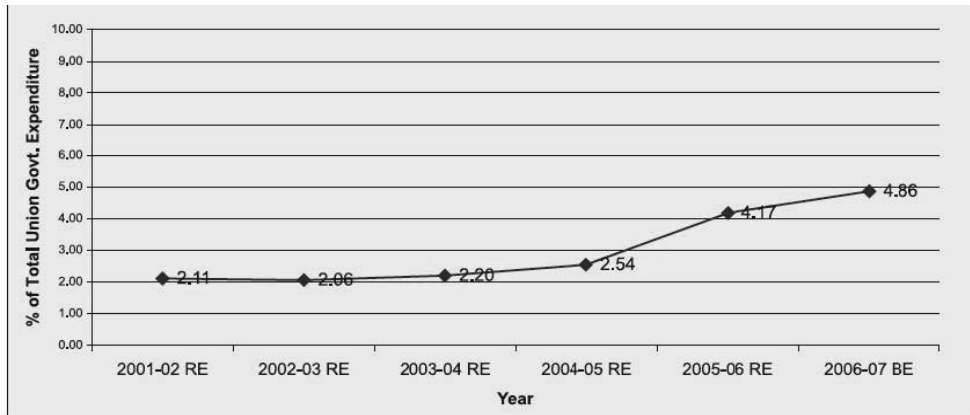
Early childhood education in India continues to be in a state of flux. This is partly due to the multiple agencies concerned with designing and implementing programmes for the young child. And, partly it is also due to continued ambivalence with regard to the role of the State in the area in contrast to provision of education in the age group 6-14. Yet there is no dearth of policy pronouncements in favour of providing comprehensive support to children in the early years.

Currently India implements one of the largest integrated programme for child care and development under the banner of Integrated Child Development Scheme. The Scheme which began in 1975 as a small experiment has spread to cover the whole country. The Scheme aims at the holistic development of children through the integrated delivery of six basic services, namely, supplementary nutrition to the age group 0-6 years and pregnant and lactating mothers, health check-up, immunisation, referral services, non-formal pre-school education for the age group 3-6, and health and nutrition education. With major expansion initiated in the last five years, the total number of projects under the scheme has increased to 6,118 and the number of *anganwadis* (child care centres) to about 946,000.

Apart from the expansion of the ICDS Scheme which provides for preschool education of the young child, major steps have been taken in the last five years to focus more effectively on the needs of the child. The first step has been to substantially increase coverage of children with respect to provision of supplementary nutrition. Currently around 65.5 million children in the age group 0 to 6 are getting this benefit. Recognising that the situation is still far from satisfactory with respect to provision of proper nutrition, provision of nutritional support has been universalised for children in the age group 6-11 and is being expanded to cover children in the age group 11-14 also. These nutritional inputs in the age group 6-14 are being delivered through the specially designed mid-day meal programme. (See Box) A National Crèche Scheme has been launched recently which provides day care services to the children in the age group of 0-6 years belonging to lower income group families. The scheme was formulated to ensure that such children are given proper care even in the absence of their mothers. The programme is run with the help of NGOs who receive grants-in-aid for setting up a crèche unit for every 25 children.

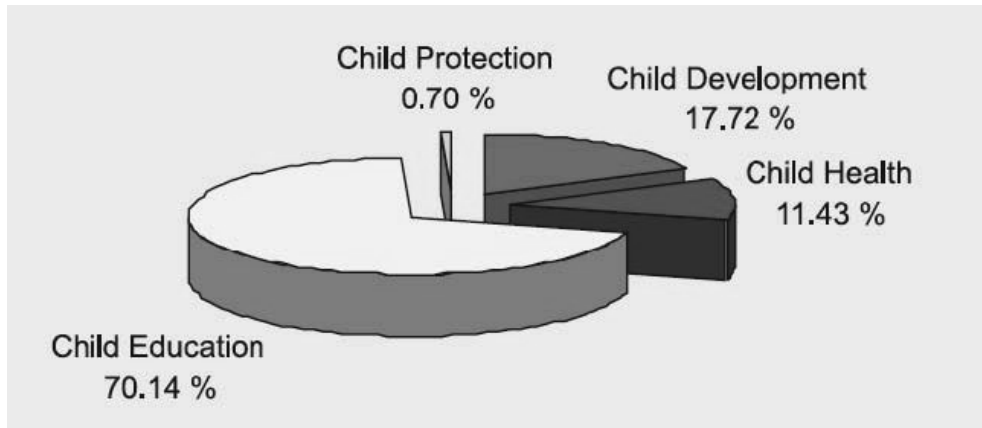
Second major initiative taken during the last five years is to establish the principle of “child budgeting”. This is a positive move as many observers have highlighted India’s low levels of public spending on social services like health, education, and water supply and sanitation, as among the major reasons for the persistence of problems in the domain of human development. Since government budget presents the most comprehensive account of public expenditure in the country, the Child Budget attempts to disaggregate public expenditure in terms of child specific programmes/schemes. Hence, in the context of the Government of India, Child Budget refers to the total outlays for child specific schemes in the national budget. Keeping in mind the different needs of children in our country, all programmes/ schemes included in the Child Budget are categorised into four sectors, viz.: Child Development, Child Health, Child Education, and Child Protection.

**Chart 6: Outlays on Child specific Schemes as proportion of total Outlays**



Source: Annual Report, Department of Women and Child Development, Government of India, 2007.

**Chart 7: Sectoral Composition of Total Child Budget in 2006-07**



Source: Annual Report, Department of Women and Child Development, Government of India, 2007.

Analysis of the composition of total Child Budget reveals important insights about the sectoral priorities within the sphere of public policies for children. It is clear from the data given that public expenditure on children has been consistently going up during the last few years. The increase is quite pronounced in the period 2003-04 and 2006-07. Also, as shown in Chart 5 above, within the Child Budget at the national level, child education has the major chunk of resources with relatively small proportions of the budget going for early childhood care and development, health, and protection.

## National Programme of Nutritional Support to Primary School Children

India has a large proportion (nearly 45 percent) of under nourished and severely malnourished children. Many researches have indicated the serious impact of malnourishment on children's education as it drastically affects physical and mental development of children with serious consequences on their learning capacity. Studies have also confirmed that serving freshly cooked meals to children in schools has multiple benefits i.e., eliminating classroom hunger, facilitating healthy growth of children, inculcating values and good habits in children, facilitating cognitive, emotional and social development, improvement in enrolment and retention of disadvantaged children and promotion of social inclusion and equity. It has immense impact on process of socialisation of children. In view of all these benefits, Indian Government has been implementing a scheme for the last one decade of providing nutritional support in primary schools. Initially, beginning in 1995, the programme consisted of giving dry ration to all children attending primary schools under the scheme of Mid-Day Meals. Following a landmark judgment of Supreme Court of India in 2001 which directed the states to provide cooked mid-day meal in all primary schools, the scheme was revised in 2004 and since then, the states have started to provide cooked mid-day meal. It again has been revised in 2006 to raise the nutritional norm from the existing 300 calories and 8-12 gm of protein to minimum of 450 calories and 12 gm protein per child. Presently the scheme is benefiting around 120 million children enrolled in 950,000 lower primary schools (classes 1 to 5). It is proposed to extend the scheme to cover children in upper primary schools also which would benefit another nearly one million children studying in classes 6-8.

The Central Government provides financial assistance to the state governments for procuring food grains, bearing costs for transportation of food grain and cooking and construction of kitchen shed and store. It also provides assistance for management, monitoring and evaluation of programme and for having cooking / kitchen devices. In addition, special assistance is being provided to run the programme in drought prone areas during summer vacation. Flexible menus have been developed by the state governments and some of them are providing eggs, milk and fruits also. Some others have introduced essential micronutrients and de-worming medicines, alongside the programme of mid-day meal. Some of the schools in Tamil Nadu and Karnataka have taken initiative to develop kitchen garden as well. States are constructing kitchen shed using funds from *Sampurna Grameen Rozgar Yojna* (Total Rural Employment Scheme), National Slum Development Programme, Urban age Employment Programme and so on.

One of the notable aspects of the programme is that it could mobilise and involve community members particularly women organisations, local self-governments, local NGOs, other local functionaries, even some corporate bodies. Varied mechanisms of private-public partnership have been developed to implement the schemes in different states. For instance in Karnataka, 20 NGOs including local charity body, namely, ISKON are serving cooked meals to about 116,000 children studying in 670 schools. ISKON covers over 26,000 students in Bangalore Rural district. Another agency called Nandi Foundation manages a central kitchen to provide cooked meals to 450,000 children in Hyderabad and other areas of Andhra Pradesh. The Akshaya Patra Foundation came into being in Bangalore in the year 2000 and presently it provides nutritional support to around 600,000 children in 2,000 schools spread over ten locations in different states like Karnataka, Rajasthan,

Uttar Pradesh and Orissa. It is operational in some of the difficult areas like Baraun and Sahabad districts of Rajasthan where the poor Saharia tribes are concentrated. Women of Self Help Groups (SHG), after obtaining suitable training in various aspects of cooking, hygiene and nutrition, have been actively involved in cooking and serving mid-day meals in many states. Involvement of SHGs is also indirectly providing women from poorer sections of the society an opportunity for a decent livelihood and training opportunities leading to gender equity within community to some extent. The scheme approximately involves an annual expenditure of nearly Rs. 20,000 million.

### Enrolling and Retaining the Disadvantaged<sup>9</sup>

Data reveal that participation levels have significantly increased across the board irrespective of location and social group affiliation of the children. Yet, one also finds that the differences between the general population and the social groups traditionally identified as marginalised, namely, Scheduled Castes and Scheduled Tribes refuse to disappear. Similarly, though considerable progress has been achieved in bringing all girls to school, gender disparity persists. In fact, it is quite substantial in certain states as we move up in the ladder to middle and high school levels. This again points to the need for investing energy in a more focused manner on these groups.

**Table 6: Gross Enrolment Ratio (GER) by Social Groups**

Year	GER of Scheduled Castes (SC)						GER of Scheduled Tribes (ST)	
	Boys		Girls		Total	Boys		Girls
2000-01	97.3		75.5		86.8	102.5	73.5	88.0
2001-02	95.7		74.6		85.5	99.8	77.3	88.9
2002-03	87.1		74.4		81.1	86.7	73.9	80.5
2003-04	88.95		77.15		83.35	90.58	81.10	86.06

Source: Selected Educational Statistics: 2003-04 MHRD, GOI, New Delhi, 2006. (Provisional)

**Table 7: Dropout Rates at Primary and Elementary Stages by Social Groups**

Year	Primary (I-V)						Elementary (I-VIII)					
	Boys		Girls		Total		Boys		Girls		Total	
	SC	ST	SC	ST	SC	ST	SC	ST	SC	ST	SC	ST
2001-02	43.7	51	47.1	54.1	45.2	52.3	58.6	67.3	63.6	72.7	60.7	69.5
2002-03	41.1	50.8	41.9	52.1	41.5	51.4	58.2	66.9	62.2	71.2	59.9	68.7
2003-04	36.8	49.1	36.2	48.7	36.6	48.9	57.3	69	62.2	71.4	59.4	70.1

Source: Selected Educational Statistics: 2003-04 MHRD, GOI, New Delhi, 2006. (Provisional)

9 See for a more detailed analysis R.Govinda and K. Biswal (2006), *Elementary Education in India: Promise, Performance and Prospects*, Background Paper for the Mid-Term Assessment of 10th Five Year Plan, Human Development Centre, New Delhi: UNDP; and R.Govinda, K. Biswal and Geeta Rani, *Progress of Elementary Education across Indian States: Delineating Drivers of Change and Progress*, CREATE Project, University of Sussex and NUEPA, New Delhi (Forthcoming)

**Table 8: Per 1000 distribution of dropout children of 5-14 yrs on reasons for non attendance**

Reasons	Rural Male	Rural Female	Urban Male	Urban Female
	5-14	5-14	5-14	5-14
School too far	2	8	0	3
Has to support household income	72	36	116	36
Education not considered necessary	33	53	14	56
Has to attend domestic chores	5	54	10	95
Others	89	88	129	118

Source: National Sample Survey Organisation, 2006

**Table 9: Out of School Children Aged 6-13 years: All India, 2006**

S.No.	Details	Out-of-School Children			Percentage Out-of-School children		
		Rural	Urban	Total	Rural	Urban	Total
1.	All Children (6-13 years)	11353597	2106137	13459734	7.80	4.34	6.94
2.	SC Children	2706025	398841	3104866	8.55	6.25	8.17
3.	ST Children	1585833	71145	1656978	10.11	4.21	9.54
4.	Muslim Children	1567717	685535	2253252	12.03	7.17	9.97

Source: SRI- IMRB Survey, 2006

The dropout rates shown in Table 7 for the SCs and STs is undoubtedly very alarming. A majority of children joining the school seem to dropout without completing the full cycle of elementary education. Only positive feature emerging from the data is that the dropout rate is marginally falling by about 4 percentage points per year for SCs. But the fall too is small just one percentage point per year for STs showing their extra vulnerability. But even this trend does not go beyond the lower primary. The figures for the whole cycle of elementary schooling remain unchanged across years, indicating a very low level of completion at the lower primary level despite being counted in the system and consequent failure to move into the upper primary cycle.

The situation with respect to some religious minorities is also quite disappointing, though no systematic and comprehensive data at the national level are available in this regard. As can be seen from the Census 2001 data presented in Table 9, despite efforts during the last six decades, spread of education among the Muslims has remained quite unsatisfactory. While the rural-urban differences exist across all social groups it is significantly unfavourable to Muslim population in both rural and urban areas. This also gets corroborated by independent observation in other studies. For instance, a survey of out-of-school children reported that the estimates of children out-of-school are highest among Muslims at 9.97 percent. The situation is even more pronounced for Muslims in rural areas at 12.03 percent which is the highest among all social groups.<sup>10</sup>

10 SRI (2005), *Survey on Assessing the Number of Out-of-school Children in the 6-13 years age group*, New Delhi: Social and Rural Research Institute.



**Table 10: Distribution of Literates (%) by Education Level among Muslims**

		Literate	Literate without education level	Below Primary	Primary	Middle	Secondary	Higher Sec. below graduate	Graduate and above
All areas	All	100	3.6	25.8	26.2	16.1	14.1	7.5	6.7
	Muslim	100	4.5	31.9	29.0	15.1	11.0	4.9	3.6
Rural	All	100	4.0	30.4	28.3	16.2	12.1	5.5	3.4
	Muslim	100	5.2	37.5	28.9	14.5	8.7	3.2	2.0
Urban	All	100	2.7	17.5	22.3	15.8	17.7	11.0	12.8
	Muslim	100	3.6	24.6	29.0	16.0	13.9	7.2	5.6

Source: Census 2001

### Sub-District Focus in Planning and Financing

How is the issue of social inequity being tackled in the planning process? In fact, more than a decade ago the country switched over to district level planning to bring greater focus on inter-district disparities and invest more intense attention on the under developed ones. However, recognising that the problem is concentrated in selected districts largely inhabited by marginalised social groups; these districts are being designated as ‘focus districts’ for intensive action. This is important as districts across the country are at different levels in terms of educational infrastructure and outcomes.

**Table 11: Some indicators of relatively backward districts across selected states**

Indicators	Number of States	Number of Districts
Student-Classroom ratio (primary) greater than 60:1 (appropriate 40:1)	3	116
Student-Teacher ratio (primary) greater than 60:1 (appropriate 40:1)	3	119
Primary to Upper Primary school ratio more than 4:1 (appropriate 2:1 or lower)	1	96
Gender gap (Upper Primary) more than 15 percentage points	3	160
Percentage of out-of-school children (6-14) more than 15 percent	2	50
Dropout rates (Primary Stage) more than 15 percent	8	194

Source: Working Group Report on Elementary Education and Literacy, XI Five Year Plan 2007-2012, Ministry of Human Resource Development, Government of India, New Delhi 2007

Challenge of educational backwardness of certain regions and districts cannot, of course, be treated in isolation of development initiatives in other sectors. For instance, a “Backward Region Grant Fund” has been created to strengthen the local self governments (*Panchayati Raj Institutions* –PRIs) in 250 backward districts which is indeed an important source for capacity building and governance reforms at the grassroots level. Each of these districts receives a special fund of Rs. 100 million. Similarly, the National Rural Employment Guarantee Programme has identified again around 200 districts for special provisions. It is being envisaged that education development programmes would attempt to create convergence of action with such programmes in other sectors to get maximum benefit.

In fact, the next phase of action in elementary education, as indicated in the Report of the Working Group on elementary Education and Literacy under the 11th Five Year Plan, proposes to move further down from the district level to Block level which on average has around 300 elementary schools. Towards this end, the Report of the Working Group proposes that the states and districts target educationally backward blocks and pockets for greater attention in a systematic manner: (i) District and block level indices of education development could be developed to identify blocks and pockets that need greater attention; (ii) Funds for community mobilisation and innovation fund could be targeted preferentially to these blocks and sub-block entities; (iii) Funds under project management, research, evaluation, monitoring and supervision could also be utilised in a manner that focuses greater attention and resource support to these pockets. Needless to say that such a focused action in blocks generally inhabited by relatively marginalised groups will go a long way in reducing disparities and achieving greater social equity in provision of education. It is in line with this thinking that Government of India has recently identified 3,000 such educational backward blocks that need more attention while implementing different educational schemes.<sup>11</sup>

### Age of Entry and Net Enrolment Ratio

Stabilising the enrolment process and converging on the official age of entry to primary school are critical for sustained progress in universalising elementary education. One would expect that as enrolment gets universalised, the grossness in the participation of age specific groups of children would decrease. However, one finds that even though expansion of schooling facilities have benefited many children bringing them within the fold of education system, the problem of over age and under age has persisted. Late entry is a common phenomenon in rural areas and it is most pronounced among girls from SC and ST communities (Table 12 and 13). But equally prevalent is the phenomenon of underage entry to primary schools. This has been observed by ASER - 2006<sup>12</sup> as well as DISE<sup>13</sup> for various years. Both sources clearly indicate the enrolment of large number of children below five years in primary schools.

**Table 12: Age Specific Participation of Children in Schooling**

Percentage of children attending school by age group and rural/urban area, India 2001										
Age Group	Total						Boys		Girls	
	India	Rural	Urban	India	Rural	Urban	India	Rural	Urban	
6	40.61	37.49	51.66	42.12	39.26	52.13	39.00	35.60	51.15	
6-10	68.77	65.71	78.78	71.61	69.12	79.67	65.69	62.01	77.80	
11-14	74.55	71.27	83.50	79.33	77.40	84.62	69.29	64.50	82.27	
6-14	71.10	67.89	80.83	74.73	72.38	81.82	67.13	62.98	79.75	

**Source:** Estimated by the author using the socio-cultural tables (C-Series) of the Census of India 2001

11 Ministry of Human Resource Development (2007), *Annual Report 2006-07*, New Delhi: Government of India.

12 *Annual Status of Education Report* carried out every year by Pratham, a national NGO working for primary education in several states of the country

13 *District Information System for Education* – a comprehensive database on elementary education compiled by and maintained at National University of Educational Planning and Administration

**Table 13: Age Specific Participation of Scheduled Caste Children in Schooling**

Percentage of SC children attending school by age group and rural/urban area, India 2001										
Age Group	Total						Boys		Girls	
	India	Rural	Urban	India	Rural	Urban	India	Rural	Urban	
6	37.26	35.48	46.21	38.86	37.23	47.04	35.55	33.61	45.32	
6-10	65.78	64.03	73.83	68.93	67.56	75.27	62.34	60.18	72.26	
11-14	70.33	68.20	78.34	76.19	75.04	80.61	63.74	60.44	75.89	
6-14	67.55	65.62	75.77	71.78	70.44	77.56	62.88	60.28	73.82	

**Source:** Estimated using the socio-cultural tables (C-Series) of the Census of India 2001. C-Series data released in 2005.

This does raise several questions on the issue of ascertaining universal participation of children in elementary education. It will be impossible to determine if all children of the age group 6-14 as specified by the Constitution are attending schools if the entry age is not properly monitored. But why do parents admit under age children in primary schools? According to ASER Report of 2006, this is mainly due to the fact that no preschool facilities are available in large part of rural areas and urban slums. However, it may also be noted that there is no uniform policy adopted across the country on age of entry to primary schools in India. Official legislations in several states such as Delhi and Andhra Pradesh specify 5 years as the minimum age for admission to class 1 of the primary stage. This diversity in the age of entry has made computation of net enrolment ratio at the national level almost an impossible task. This is an issue demanding serious consideration by planners and policymakers as part of consolidating the achievements made in the last decade and moving towards the goals of providing free and compulsory education for all across the country within a reasonable period of time.

The data presented in the Table above are based on the Census conducted in 2001. Since then, much progress has been made in the enrolment of children in the age group 6-14. But the value of these data lie in the clear differentials they highlight with respect to attendance pattern of children from marginalised groups. For instance, participation of children from tribal groups appeared to be far below the national average for the same age group. It is even lower than the figures for the Scheduled Castes calling for special measures to bring them into the fold of formal school education.

### **The problem of Small Schools: Need Special Attention**

Information on the size and human resources available in primary schools indicate that one-fourth of the total number of primary schools in the country are very small with only one teacher and/or one classroom and generally located in small habitations. It is in this context that *modifying traditional distance and population norms and opening schools in small habitations* has yielded positive results by bringing in more children to school. But such creation of small schools also raises the question of their long-term viability as they are also invariably under-equipped and fail to improve in terms of quality. Field observations have also showed that if proper care is not taken, this may also lead to legitimisation of social divisions through schooling, as often such small habitations are inhabited by marginalised groups living on the fringes of the main village with a full fledged school. In fact,

the District Information System for Education shows that around 52,800 which accounts for nearly 8 percent of all primary schools in the country have only 25 children on roll. (Table 14)

**Table 14: Small Primary Schools with less than 25 children (2004-05)<sup>14</sup>**

S.No	States	Number of small primary schools	Total number of primary schools	Percentage of small primary schools
1.	Andhra Pradesh	9962	61680	16.15
2.	Arunachal Pradesh	317	1602	19.79
3.	Assam	3508	30477	11.51
4.	Bihar	101	38877	0.26
5.	Chhattisgarh	1697	27809	6.10
6.	Gujarat	1247	12421	10.04
7.	Haryana	223	8593	2.60
8.	Himachal Pradesh	2807	11183	25.10
9.	Jammu & Kashmir	3411	10108	33.75
10.	Jharkhand	318	16442	1.93
11.	Karnataka	6552	26623	24.61
12.	Kerala	79	6186	1.28
13.	Madhya Pradesh	2140	76179	2.81
14.	Maharashtra	7729	39489	19.57
15.	Meghalaya	1467	6356	23.08
16.	Mizoram	103	1318	7.81
17.	Nagaland	197	1523	12.93
18.	Orissa	2138	34724	6.16
19.	Punjab	1001	13433	7.45
20.	Rajasthan	1855	55130	3.36
21.	Sikkim	203	732	27.73
22.	Tamil Nadu	1758	33490	5.25
23.	Tripura	146	1785	8.18
24.	Uttarakhand	886	110581	0.80
25.	Uttar Pradesh	2398	13307	18.02
26.	West Bengal	524	48440	1.06
27.	Chandigarh	2	28	7.14
28.	Delhi	23	2121	1.08
29.	Puducherry	51	287	17.77
	All States	52843	691924	7.64

<sup>14</sup> Figures compiled by S.M.I.A. Zaidi, NUEPA, New Delhi from primary data available under DISE.: District Information System for Education, NUEPA, New Delhi, data reported for September 30, 2004.

What should be a matter of concern is that the proportion of such schools has been on the rise as it increased from 6.70 percent in 2003-04 to 7.64 percent in 2004-05. Interstate variation in this regard is also a serious issue. It is found that five states have more than one-fifth of the primary schools in this category with Jammu & Kashmir leading the group with 33.75 percent. There are seven more states and one union territory where the proportion of small primary schools varies between 10-20 percent. There is a general perception that presence of small schools is linked to terrain conditions such as hilly and forest or desert areas. But a perusal of the data show that the phenomenon is also due to other factors such as the opening of new schools in small habitations and also due to falling birth rates.

Thus, while establishing small and under equipped schools is likely to continue in many states, *it is important that attention is paid to consolidating existing provisions if necessary by combining unviable small schools working in close neighbourhood.* Though the norms of 1 km and 3 km for establishing primary and upper primary facilities could form the general rule, it need not be implemented blindly. With the demographic change taking place in several states and with the cohort entering primary school gradually shrinking, many existing schools are likely to become unviable in terms of population size. Several assertions made in recent years on the issue of providing a school in every habitation need careful consideration in such contexts. For instance, not every habitation even with population size of 300 needs to have a school within the habitation; probably availability of road infrastructure should be factored in while opening schools. Kerala has demonstrated this aspect very effectively.

Even with consolidation of schooling facilities, it is imperative that small schools will emerge in substantial number. It is important therefore to *evolve more focused strategies for dealing with small schools.* For instance, in 2002-03 around 9.5 million children were enrolled in such small schools many of which are run by single teachers employed locally on contract basis. It also included more than 275,000 children enrolled in short-term bridge courses with the hope of being mainstreamed into regular schools. Even if children enrolled in the bridge courses are not considered, most of these schools would not be able to take the students beyond 2<sup>nd</sup> or 3<sup>rd</sup> grade. What happens to these children as they complete initial years of schooling? Are these sustainable? At present, apart from promotion of multi-grade teaching strategy, no special scheme has been worked out for addressing the problem of sustainability as well as quality of small schools. It should be worthwhile to delineate norms for providing physical and academic facilities in small schools with one or two teachers and ensure that situation in all such schools is brought to that level.

### **Bridging the Gender divide**

The 2001 Census showed decreasing gender gap in literacy for almost all the states. School enrolment figures for recent years show considerable reduction in the gender differentials with respect to all indicators of school participation. Significantly, the bridging of the male-female gap has been quite substantial not only at the lower primary stage but also at the upper primary implying that relatively more girls are also transiting from lower to high primary levels in recent years. Consequently, the Gender Parity Index has risen from 0.80 to 0.93 in a matter of just four years. However, achieving

the goal of gender equality is still far away. Further, a large number of girls from marginalised groups and hard to reach areas fail to benefit from schooling facilities. Also, even while the overall scenario is encouraging, regional variations continue to persist with a number of States and districts where gender differences continue to be significant. In most of these cases, opening of new single teacher schools (under Education Guarantee Scheme), provision of incentives like mid-day meal, school uniforms and free textbooks, and conduction enrolment drives constitute the main vehicle for increasing girls' enrolment and retention. Some states like Bihar are trying to strengthen implementation of ECCE programmes that help overcome sibling care problems faced by many girls. As gender gaps narrow, such generic solutions may not prove adequate.<sup>15</sup>

**Table 15: Percentage of Girls to Total Enrolment**

Stage	2000-01	2001-02	2002-03	2003-4
Primary Schools (I-V)	43.7	44.1	46.8	46.7
Middle/Upper Primary (VI-VIII)	40.9	41.8	43.9	44.0
Gender Parity Index (I-VIII)	0.80	0.81	0.85	0.93

**Source:** Selected Educational Statistics: 2003-04 MHRD, GOI, New Delhi, 2006. (Provisional)

In the context of such observations, while the flagship programme of *Sarva Shiksha Abhiyan* is envisaged to continue contributing significantly towards gender specific goals and targets, two special programmes with particular focus on social equity and locational disadvantage among girls have been operationalised, namely, the National Programme for Education of Girls at Elementary Level (NPEGEL) and the Kasturba Gandhi Balika Vidyalaya.

NPEGEL is a focused intervention financed by Government of India to reach basic education to the "Hardest to Reach" girls. Launched in July 2003, the programme provides for development of a "model school" in every cluster with more intense community mobilisation and supervision of girls enrolment in schools. Gender sensitisation of teachers, development of gender-sensitive learning materials, and provision of need-based incentives like escorts, stationery, workbooks and uniforms are some additional features of the programme. What distinguishes the NPEGEL schools from others is their holistic approach and intensive nature of inputs provided in all aspects of development of the girl child. The scheme is being implemented in educationally backward blocks (EBBs) where the level of rural female literacy is less than the national average and the gender gap is above the national average; in blocks of districts which are not covered under EBBs but are having at least 5 percent SC/ST population and where SC/ST female literacy is below 10 percent; and also in select urban slums. Currently more than 3,000 educationally backward blocks are covered under the scheme spread over 25 States. Till 2006-07, under NPEGEL, around 29,532 Model schools have been developed, 73,788 teachers have received gender sensitisation programmes, and skill building programmes have been provided to girls on diverse trades and life skill; 7,713 additional classrooms constructed for being used as space for bridge courses, teacher training and skill building activities for girls; over 50,000 ECCE centres are being supported in non-ICDS areas to help free girls from

<sup>15</sup> *Aide Memoire, 3rd Joint Review Mission of Sarva Shiksha Abhiyan and 22nd Joint Review Mission of District Primary Education Programme*, Government of India, 11-24 January 2006.

sibling care responsibilities; further, free uniforms have been given as a direct educational incentive to about 20 million girls in EBB blocks. Data given in Table 12 indicates to the massive nature of the inputs being provided under the scheme.

**Table 16: Progress made Under NPEGEL**

	2004-05	2005-06	2006-07
Block	2157	3164	3122
Clusters	19575	28917	38748
Fund Allocation (in millions)	6539.3	6865.4	8133.6

Source: Annual Report, MHRD, 2006-07

While the main goal of the NPEGEL is to get more girls into the fold of primary education, the Kasturba Gandhi Balika Vidyalaya (KGBV) launched in July 2004 focuses on providing education to the girls at upper primary level. With a view to consolidating the gains made in enrolling girls at the lower primary stage, the scheme provides for residential facilities to girls at convenient locations for continuing their education beyond the lower primary stage. (See Box 1) According to the Report of the Ministry of Human Resource Development, 2,075 residential KGBV schools have been sanctioned in SC/ST and minority dominated areas. 428 KGBVs have been set up in Muslim dominated blocks and 441 in ST dominated blocks. Till December 2006, 1,039 KGBV schools were opened benefiting 6,400 children with 27 percent belonging to SCs, 30 percent to STs.<sup>16</sup>

## **Addressing Imbalances and Inequities in teacher provision**

The situation with respect to demand for additional school places and the consequent need for additional physical infrastructure and teacher supply is not uniform across different states. Kerala, Tamil Nadu, Karnataka and Andhra Pradesh have experienced declining trend in child population and this would cause decline in demand for school places and teachers at the lower primary stage; but even in these states, there will be a demand for school place and teachers in near future, particularly at the upper primary stage. On the other hand, some states like Bihar, Uttar Pradesh, West Bengal, Assam, Orissa etc. would still require to employ teachers both at primary and upper primary stages. Some states especially the north eastern states face a serious situation with a huge proportion of teachers without any professional training. Added to this is the fact that several states have created many small schools with single teachers; equipping them with minimum national norms of at least two teachers per school would demand more teachers. However, despite increasing demand, appointment of additional teachers on a regular basis which would imply carrying a substantial recurring expenditure from the state budget is viewed by some of these states as an untenable proposition. In their search for the means of reducing the financial burden on the state exchequer, recruiting teachers on contract basis has come to be viewed as a step in the right direction for two reasons. One, such appointments would not entail a recurring burden on the state as teachers are dispensed with every term; two, they are paid much less in comparison to regular teachers.

<sup>16</sup> Annual Report 2006-07, Ministry of Human Resource Development, Government of India, New Delhi, p.22.

### Box 1: Reducing the Gender Gap through Residential Schools Katurba Gandhi Balika Vidyalaya

KGBV is a unique programme launched to tackle low levels of school participation among girls in combination with social backwardness. It is well recognised that girls participation in schooling is doubly affected by economic impoverishment coupled with social and cultural discriminatory barriers. This is made further complex by poor infrastructure and security concerns when the school is away from the girls' residences. The KGBV Scheme launched in 2004 attempts to address all these concerns in an integrated manner by providing residential schooling facilities to the girls belonging to Scheduled Castes, Scheduled Tribes, Other Backward Classes and religious minorities at upper primary level.

Priority is given for opening of KGBV Schools in the 3,073 educationally backward blocks where female literacy rate is below national average and gender gap in literacy is above national average. As many as 2,075 residential KGBV schools have been sanctioned in SC/ST and minority dominated areas. 428 KGBVs have been set up in Muslim dominated blocks, 441 in ST dominated blocks and 222 in SC dominated blocks. Under this scheme, 1,000 new schools have been sanctioned in 2006 in addition to 1,180 approved earlier. Till December 2006, 1,039 KGBV schools with around 64000 enrolments were opened. The scheme especially benefits girls belonging to marginalised groups and from families living below Poverty Level. A quick review shows that 61 percent of these educationally backward blocks identified for KGBV Scheme are located in special focus district under SSA; thus providing scope for further convergence in action to improve school education facilities for girls. A recent evaluation of the scheme has revealed that the schools are well managed and functioning properly. It was also found that the students, parents and community members had positive opinion about the scheme. The teachers were also found committed. In some states the operation of the Scheme is further reinforced as Mahila Samakhya (MS) Societies are involved in its implementation. Encouraged by the positive observations from external evaluation of the Scheme, a massive expansion of the programme is being envisaged in the next five years under the 11th Five Year Plan.

[Source: Based on Annual Report MHRD, 2006-07]

Though there has been an impressive increase in the number of primary and upper primary school teachers in India in the 1990s, the imbalances in teacher allocation between states, districts and within districts, between rural and urban areas continue to be a major concern. The increase in upper primary teachers is relatively more in rural areas in Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, and Rajasthan. In most of the states, the percentage increase in upper primary teachers is more than that of the primary teachers during the period of Sixth and Seventh All India Survey conducted by NCERT in 2002. In addition, irrational allocation of primary teachers among schools and between rural and urban areas is a major issue in many states.

**Table 17: Number of Teachers, Enrolment and Pupil Teacher Ratio by Type of Institutions**

Primary Schools					Upper Primary/Middle Schools			
States/UTs	Total teachers	% of trained teachers	% of female Teachers	Pupil Teacher Ratio	Total teachers	% of trained Teachers	% of female Teachers	Pupil Teacher Ratio
Andhra Pradesh	172601	94	79	35	100365	88	73	31
Arunachal Pradesh	3195	28	41	39	2969	33	40	28



## Human Rights and Budgets in India

Assam	83919	73	53	40	73147	36	30	17
Bihar	95815	95	22	74	56654	95	27	65
Chhattisgarh	68512	52	37	47	25213	59	30	45
Goa	2313	94	420	20	564	98	266	16
Gujarat	18482	98	128	32	199341	94	115	39
Haryana	46565	89	105	45	8389	92	57	25
Himachal Pradesh	28738	87	73	21	9199	99	44	17
J& K	29846	61	68	33	26624	69	71	16
Jharkhand	31150	100	26	73	26536	100	41	60
Karnataka	51308	100	85	34	189768	100	129	39
Kerala	40559	98	264	29	45164	97	206	27
Madhya Pradesh	197102	65	51	41	132183	65	60	27
Maharashtra	187819	96	154	37	186821	96	76	38
Manipur	8249	22	63	28	8834	19	69	19
Meghalaya	13745	45	88	36	6607	36	85	14
Mizoram	5849	82	94	18	5606	80	42	10
Nagaland	7474	37	53	19	5365	42	42	18
Orissa	78182	90	43	56	49786	91	39	28
Punjab	40805	95	167	42	13543	98	104	18
Rajasthan	120368	86	36	46	154921	91	37	33
Sikkim	5031	50	89	19	1140	42	56	22
Tamil Nadu	121236	100	172	35	60079	100	132	37
Tripura	14606	28	95	30	7022	20	36	16
Uttar Pradesh	395202	98	50	57	156674	95	41	37
Uttaranchal	40527	100	112	27	16080	100	53	19
West Bengal	157397	67	34	55	11388	84	35	49
A&N Islands	956	93	127	19	737	96	108	19
Chandigarh	315	100	408	38	178	100	1013	26
D & N Haveli	678	96	133	49	213	97	40	55
Daman & Diu	426	100	330	43	281	100	111	29
Delhi	24699	100	217	40	9192	100	272	25
Lakshwadweep	313	100	83	21	111	100	91	16
Pondicherry	2876	96	267	24	1593	92	117	22
India	2096858	86	66	45	1592287	87	69	35

Source: Seventh All India Educational Survey, NCERT, New Delhi, 2005 (data for 2002)

Another major issue in teacher supply relates to the existence of small schools with subminimal facilities. According to the Report of the Working Group on Elementary Education and Literacy for the 11<sup>th</sup> five Year Plan, 417,000 schools which account for 54 percent of all primary schools have only one or two teachers. The number of primary schools with three or less number of teachers is as high as 549,000 (71.5%). Coupled with this is the problem of small enrolments, as already discussed, which poses additional problems in raising the quality of infrastructure and human resources in primary schools. However, teacher training programmes, unfortunately, have continued to be oriented towards monograde teaching situations. Teaching-learning materials used in these small schools are also not geared to teaching in multi age and multi-grade settings. The situation obviously demands special effort to examine how essential such small schools are and then to ensure that teachers working in these schools receive proper orientation on the pedagogy of teaching in such contexts and conditions. In fact, additional academic infrastructure has to be provided for functioning effectively in such conditions.

**Table 18: Teacher Pupil Ratio in Primary and Upper Primary Schools**

Year	Primary	Upper Primary
1999-2000	1:43	1.38
2000-2001	1:43	1.38
2001-2002	1:43	1.38
2002-2003	1:42	1.34
2003-2004	1:45	1.35
2004-2005	1:46	1.35

Source: Selected Educational Statistics, MHRD, 2006 (provisional)

## Life Skill Development Programme for Under-privileged Youth

Education of young people of age group of 15-24 years has received increasing attention across the world. In India a large number of young people are presently found to either have never attended any educational institutes or not being able to continue their general education but this section of population will soon or later enter the world of work. Apart from these young people, there are some other who despite availing educational facilities find themselves unfit for employment opportunities due to lack of some particular vocational skills. It is because of this, some initiatives have been taken to provide necessary skills under different schemes of literacy programme, vocational training programme, Mahila Samakhya etc. In addition, some NGOs are working in this regard.

The continuing education programme of the National Literacy Mission consists of a variety of projects for skill development and income generation. For instance, the scheme of Jan Shikshan Sansthan runs a number of vocational programmes with varying duration and of different skills. About 1.674

million persons are being benefited at present. Out of them, over 70 percent are women and some of the courses are suitable for self employment. Apart from this, there are also community polytechnics which focus on higher level skill building with a view to introducing appropriate technology to local community members. These polytechnics offer three to nine months training courses and have no prescribed qualification for admission to their courses. There are 675 community polytechnics which provide training to about 450,000 persons every year. Preference is given to rural youth from disadvantaged communities and those who had to dropout before completing school education.

The Mahila Sikshan Kendras (Women Training Centres) functioning under the Mahila Samakhya Programme provide training and literacy skill to adolescent and young girls. In addition to these government initiatives there are several NGOs that are also working for skill development of youth. In Uttar Pradesh, one of the NGOs, namely, Nirantar has been engaged in the programme of running Mahila Sikshan Kendras for long period of time. The Doosra Dasak (which means second decade of life) in Rajasthan is also providing residential camps and other educational programmes to adolescent boys and girls. Most of these are either illiterate or dropouts with very little learning. The M.V.Foundation in Andhra Pradesh conducts residential camps for adolescents with a view to mainstreaming them into the regular school framework. Dr. Reddy’s Foundation conducts a large variety of activities that address the needs of young adults for carving out a sustainable livelihood option. The organisation has devised a number of skill-based programmes such as ‘Arogya-safe food, safe water’, ‘sweet corn vending’, ‘Agro facilitation centre’ and livelihood hub for the disadvantaged youth. ‘Maya’, another NGO in Karnataka also conducts integrated livelihood programme along with literacy classes for the youth group.

## **Meeting Quality Concerns**

Improving the quality of education provided in the schools has been a goal pursued for the last 10–15 years. However, it is difficult to clearly assert that the quality of education being provided in the schools and other institutions is of acceptable quality. A positive development in this connection is the enormous improvement achieved with respect to infrastructure. Examining the student-classroom ratio (SCR) one finds that it has marginally improved despite the fact that enrolment has grown at a very fast pace during the same period.

**Table 19: Student Classroom Ratio**

	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
Primary	48	45	44	41
Upper Primary	36	35	33	33

**Source:** DISE, NUEPA, New Delhi, 2007

But improvement in infrastructure does not seem to have been significantly influencing the quality of learning taking place in schools.

## Disparities in Learning Levels

Recognising that in the final analysis effective acquisition of basic learning competencies would determine the value of primary schooling. In this context, measurement of learning levels of school going children has come to occupy a place of central importance within and outside the public education system. The wide variation among different states in this regard is clearly highlighted by the data collated from national survey conducted by NCERT in 2003-04.<sup>17</sup>

**Table 20: Inter-State Differences in Achievement Levels in Class V  
(end of Primary Cycle)**

Coverage	Number tested	Mean Achievement - Mathematics	Mean Achievement - Language	Mean Achievement - EVS
30 States and Union Territories  116 Districts  4787 Schools  10796 Teachers	88271	<b>46.51</b> 17 States below national average A.P, Assam, Chhattisgarh, Goa, HP, J & K, Karnataka, Kerala, Maharashtra, Mizoram, Nagaland, Sikkim, UP, WB, A&N, Chandigarh & Pondicherry	<b>58.57</b> 15 States below national average AP, Assam, Chhattisgarh, Goa, Gujarat, HP, J&K, Kerala, MP, Punjab, Sikkim, UP, Uttaranchal, A&N, & Chandigarh	<b>50.30</b> 17 States below national average AP, Assam, Chhattisgarh, Delhi, Goa, HP, J&K, Kerala, Mizoram, Nagaland, Punjab, Sikkim, UP, Uttaranchal, A&N, Chandigarh & Pondicherry

**Table 21: Inter-state differences in Achievement levels in Class VIII  
(end of Elementary Cycle)**

Coverage	Mean Achievement - Mathematics	Mean Achievement - Language	Mean Achievement - Science	Mean Achievement – Social Science
<b>17 States</b>  <b>101,066</b> <b>Students</b>	<b>38.47</b> 10 States below national average Chhattisgarh, HP, J & K, MP, Rajasthan, Punjab, UP, Uttaranchal, A&N, & Pondicherry	<b>52.45</b> 11 States below national average Arunachal Pradesh, Chhattisgarh, J&K, MP, Rajasthan, Punjab, Tripura, UP, Uttaranchal, A&N, & Pondicherry	<b>40.54</b> 10 States below national average Chhattisgarh, HP, J&K, Punjab, Rajasthan, Tripura, UP, Uttaranchal, A&N, & Pondicherry	<b>45.00</b> 11 States below national average Chhattisgarh, Delhi, HP, J&K, MP, Rajasthan, Punjab, UP, Uttaranchal, A&N, & Pondicherry

Clearly the overall achievement levels are far from satisfactory. What is even more disturbing is that several states which have been doing well in enrolment and participation lag behind when it comes

<sup>17</sup> Report of the working group on elementary education and literacy for the 11th Five Year Plan, MHRD, Government of India, 2007.

to quality of learning. An independent survey<sup>18</sup> conducted by Pratham has also brought out similar results. ASER-2006 measured learning level of children who are currently enrolled in schools by assessing their reading ability, ability to recognise number and doing more mathematical calculation and also on their comprehension skill. It was found that around only 70 percent of students could recognise alphabets and around 40 percent could not read level I and II texts. Around 40 percent children could not do simple mathematics of classes I and II as well as of classes III-V.

Considering that quality of learning also critically depends on what is transacted in the classroom as much as how it is done, there has been increased attention paid to the issue of developing relevant curriculum for school education. In this regard, the massive national level consultation carried out by NCERT towards preparation of the National Curriculum Framework, 2005 needs special mention. It is envisaged that the new National Curriculum Framework along with corresponding syllabi and textbooks would become the guiding documents for state level organisations to work towards revising their curricula and syllabi.

## Prospects: Can India Achieve EFA Goals by 2015?

In 1950, national leadership set 10 years as the period adequate to achieve universal elementary education. As that deadline neared, planners realised that the goal is much harder to reach than assumed; indeed the population explosion had already overtaken the speed with which development efforts could be designed and implemented. The resources available were also quite insufficient to move faster towards the goal. Consequently the target date was shifted, not once several times. Even in recent years, consecutive Global Monitoring Reports of UNESCO have cautioned that India would be at serious risk of not achieving most of the Dakar Goals.

**Table 22: Projected Child Population, Enrolment and Out of School Children, 2004-05 to 2014-15<sup>19</sup>**

Year	Child Population (in 0000000)			Net Enrolment (in 0000000)		Enrolment in Bridge Courses for Out of School Children (in 0000000)		Gross Enrolment (covers children from Bridge Courses; and under and over age children) (in 0000000)			Additional Teachers Required*
	6-10	11-13	6-13	6-10	11-13			6-10	11-13	6-13	
2004-05 <sup>^</sup>	12.13	7.33	19.46	11.39	4.18	15.57		13.08	5.12	18.20	
2005-06	12.07	7.35	19.42	11.44	4.38	15.82		12.76	5.24	18.00	
2006-07	12.01	7.38	19.39	11.49	4.59	16.08		12.72	5.47	18.19	
2007-08	11.89	7.33	19.21	11.54	4.81	16.35		12.70	5.72	18.42	72853
2008-09	11.77	7.28	19.04	11.59	5.19	16.79	0.666	12.87	6.65	19.52	264938

<sup>18</sup> Pratham (2006), Annual Status of Education Review (ASER – 2006), New Delhi.

<sup>19</sup> Computations done by Geeta Rani of the National University of Educational Planning and Administration as part of the exercise on Financial Estimates for implementing the Right to Education Bill

2009-10	11.65	7.23	18.87	11.65	5.60	17.25	0.529	12.74	7.10	19.84	128042
2010-11	11.53	7.17	18.70	11.53	6.05	17.58	0.529	12.57	7.56	20.13	131442
2011-12	11.41	7.12	18.54	11.41	6.53	17.94	0.529	12.37	8.05	20.42	70325
2012-13	11.39	7.05	18.44	11.39	7.05	18.44		12.23	8.05	20.28	69570
2013-14	11.53	7.13	18.67	11.53	7.13	18.67		12.29	8.08	20.37	8378
2014-15	11.68	7.22	18.90	11.68	7.22	18.90		12.39	8.13	20.51	13582

Note: \*No additional teachers are required at the lower primary level. At the upper primary level, the increase in the requirement of teachers from 2008-09 to 2010-11 is due to mainstreaming of the out of school children and appointment of project teachers.

Source: ^2004-05 enrolment from Selected Educational Statistics, 2004-05

After sixty years the country is again at a critical juncture. The goal of universal elementary education appears to be certainly achievable. At least three factors seem to support such optimism. First, the demographic change that is unfolding across several states is quite reassuring. With falling birth rates, the reduction in demand for school places is clearly visible. This is amply evident from the estimates presented in Table 22 on the projected trajectory for achieving universal elementary education by 2015. With this comes the hope that mobilising necessary infrastructure and human resources is not beyond the realm of possibility in the near future. The second major factor supporting such a positive view is the current state of Indian economy. The fast growing economy has offered enough leeway in planning development programmes using domestic resources. This again is clearly evident from the expanding size of the fund accrued in the *Prarambik Shiksha Kosh* created for supporting elementary education efforts by imposing 2 percent education cess on all taxes collected. This indeed is a far cry from what prevailed 15 years ago with dwindling foreign exchange reserves and increased need for seeking external assistance. The third factor is the groundswell created through mass mobilisation during the last 10-15 years which has begun to pay. People's participation – those who seek education as well as those who seek to support educational activities has literally grown to enormous proportions. What about other Dakar Goals? As increase in literacy rates are closely linked to elementary school participation, and if the rate of increase in literacy rate in recent years is any indication, the Dakar goal for literacy would also be achieved with minor exceptions of some states. Move towards gender parity in participation at various levels has been quite impressive in recent years and one would foresee the country meeting the target; but the same cannot be said with regard to indicators of gender equality. Disparities in this regard are likely to persist as they are dependent on factors outside the domain of educational action linked to social and cultural practices. Nevertheless, unprecedented level of mobilisation of women witnessed at the grassroots level achieved through programmes of SHG and other economic and social empowerment strategies have begun to demonstrate that even these socio-cultural hurdles can be overcome. Provision of life skill programmes for out-of-school youth and young adults is gradually picking up and is likely to take concrete shape in the next few years under the 11th five year plan. The answer for this area seems to lie in enhanced programmes of public-private partnership on the one hand and increased involvement of NGOs on the other. The real challenge before the planners will continue to be of incorporating the most marginalised among the traditionally disadvantaged social groups and minority communities. Making available good quality education for all will of

course be a long term agenda that will have to be pursued even beyond 2015. If current assessments are any indication, this is going to be the toughest challenge ahead.

In conclusion, it appears that national and state governments have been till now heavily preoccupied with reporting the progress in terms of expansion of schooling facilities and coverage of children in the relevant age group. This supply-oriented approach to development of elementary education, to a large extent, has resulted in multifold expansion of the system adequate enough to accommodate all children. But, there has been probably inadequate attention towards critical issues of regional imbalances and social inequity. Attention has been missing on the marginalised areas and social groups acting in whose favour are not only desirable but would also make a significant difference in quantitative progress. In particular, improving public institutions catering to the marginalised and the poor has remained a neglected area. What is needed at this juncture is to focus on efforts that improve the delivery system; strengthen the management of schools and teaching-learning processes in the classroom, and their impact on learning levels. Attention has to be paid to better utilisation of resources at district and sub-district levels on quality improvement programmes. Education development efforts during the coming years need to focus more on these aspects with a clearly defined transformative vision. Even from cursory observations, it is clear that states which have addressed such issues in the last decade have registered greater progress than those which have invested their attention only on reporting quantitative progress by utilising resources provided by the Centre. The two have to go hand in hand; quantitative progress without attending to processes and outcomes would only lead to unviable and unproductive structures in the long run, eventually burdening the poor and increasing inequalities. While the country would continue to face several challenges and hurdles in these efforts, one could safely state that lack of finances is not likely to be a serious obstacle in marching towards EFA goals.

# Education in 2008-09 Union Budget

*Jandhyala B G Tilak\**

There is a general euphoria that the outlay for education has been hiked very significantly in the Eleventh Five-Year Plan and that the days of under-funding of education are a thing of the past. The allocation to education in the Eleventh Plan is likely to be Rs 2,87,000 crore, which is five times the allocation made in the Tenth Plan in nominal terms. This is also expected to constitute nearly 20 percent of total plan expenditure, compared to 7.7 percent in the Tenth Plan. This is considered as an “unprecedented increase in financial support for education in India”. Are the days of planning education under economic austerity indeed over? How does the treatment of the education sector in the union budget 2008-09, the “crucial” second annual budget of the Eleventh Plan, fit in the grand scheme of the five-year plan, which is proclaimed as a “national educational plan” that recognises education as a “centred (central) instrument for achieving rapid and inclusive growth”. This paper briefly examines some of the important aspects of education in the union budget and raises some questions for discussion.

The finance minister allocated in the budget for 2008-09 an amount of Rs 34,400 crore for education, compared to the revised estimate of Rs 28,674 crore in 2007-08. A close examination of the budget allocations shows that the increase is not particularly high, besides indicating marked shifts in education priorities of the Government: from elementary to secondary and more importantly to higher education, from mass expansion to expansion of some kind of elite institutions, from a system of funding out of general budgetary support to funding out of earmarked taxes/cess, and to a system of delivery that relies more on public-private partnership.

First, at the national level. The total expenditure on education incurred by the union and state governments increased from Rs 67,000 crore in 2000-01 to Rs 1,33,000 crore in 2007-08. The nearly twofold increase in a period of eight years, though in nominal prices, seems to be impressive.

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However, according to the Economic Survey 2007-08, the allocations to education made by the union and the state governments together, as a proportion of GDP, have not been satisfactorily progressing during the last few years. The ratio was above three percent in 2000-01, and ever since it has steadily declined to reach a low level of 2.69 percent in 2005-06. It is only in the last couple of years that the declining trend seems to have been reversed, according to the revised estimates for 2006-07. However, even according to the revised estimates, the proportion allocated to education in 2007-08 is much less than the 2000-01 level! Further, we often note substantial differences between budget estimates, revised estimates and actual levels of expenditure. So one cannot be certain that the downward trend has been actually reversed in the recent years.

These figures refer to the expenditure on education incurred by the departments of education (school and higher education), and do not seem to include the expenditure incurred by other departments on education, which also seem to be significant. For example, the total expenditure on education incurred by the departments of education and other departments on education together constituted 3.7 percent of GDP in 2005-06, Budget Analysis of Expenditure on Education 2003-04 to 2005-06 while as shown in Table 1, the expenditure of the departments of education accounted for only 2.7 percent.

**Table 1: Government (Central+State) Expenditure on Education (Current prices)**

Year	Rs in Crore	Percent of GDP	Percent of Total Expenditure	Percent of Social Sector Expenditure
2000-01	67,000	3.19	11.3	50.8
2001-02	68,071	2.99	10.6	49.4
2002-03	71,298	2.96	10.3	50.3
2003-04	75,607	2.74	9.6	49.3
2004-05	84,111	2.67	9.8	48.7
2005-06	96,365	2.69	10.0	47.2
2006-07 RE	119,199	2.88	10.4	46.5
2007-08 RE	133,284	2.84	10.2	45.3
RE: Revised Estimate				

Source: Economic Survey 2007-08 and earlier years

Further, these figures in Table 1 also mark a declining trend in the relative priority given to education. The share of education in total Government expenditure on all sectors declined from 11.3 percent in 2000-01 to 10 percent in 2005-06. Even within the total social sector expenditure, the share of education declined from above 50 percent to 47.2 percent in 2005-06 and further to 45.3 percent in 2007-08 (revised estimates).

The total budget expenditure on education consists of expenditure incurred by the union and the state governments. That about 80 percent of the government expenditure on education is met by the states, and that the expenditure of the Union Government is relatively small is well known. It can be noted that the states meet a substantial, nearly all of the non-plan expenditure on education, while in case of plan expenditure, the Centre meets a good proportion of it.

## Education in Union Budgets

Though the expenditure of the Union Government on education is small, it may assume much significance as it can set new directions for development, induce state governments to take up new programmes, mobilise more resources to take advantage of central matching shares by the state governments, and on the whole, contribute significantly to education development in the country. So union budget allocations are worth a close examination.

To start with, there has been a significant increase in the Union Government's budget expenditure on education, as shown in Table 2.

Years	Rs in Crore	Percent GDP	Percent of Total Budget
2000-01	7,925.2	0.377	2.43
2001-02	8,037.0	0.353	2.22
2002-03	9,089.3	0.370	2.20
2003-04	10,177.5	0.369	2.16
2004-05	13,288.7	0.420	2.66
2005-06	17,809.6	0.497	3.52
2006-07	23,809.6	0.574	4.09
2007-08 RE	29,588.7	0.630	4.35
2008-09 BE	38,702.9	0.730	5.15

RE: Revised Estimate, BE: Budget Estimate (in all tables henceforth).

**Source:** Based on union budget 2008-09 and related budget documents of previous years and Economic Survey 2007-08 and earlier years.

that assumes much significance, as it is plan expenditure that sets new directions for development. There is also greater discipline and direction under the plan expenditure compared to the non-plan expenditure. Since plan allocations (under the five-year plans) are finalised consequent to obtaining the approval of the National Development Council, the Parliament and the Union Cabinet, they are sacrosanct and have to be adhered to as far as possible [Kumar 2008: 79]. So let us examine in detail the allocations under the plan category. During the last five years, one notices a significant increase in plan allocations to education in the union budgets.

The expenditure increased by 3.4 times from Rs 10,224 crore in 2004-05 to Rs 34,394 crore in 2008-09. But if you look at the annual increases during the last five years, the nearly 20 percent increase in the 2008-09 budget seems to be the smallest, and the 35 percent increase over the previous years' revised estimate the second lowest. In 2005-06 this increased by 47 percent over the preceding year's revised estimate; the corresponding ratio was 38 percent in 2006-07, 23 percent in the 2007-

The total – plan plus non-plan – increased from Rs 7,900 crore in 2000-01 to 38,700 crore in 2008-09, as per the budget estimates. This, as a proportion of GDP also increased, particularly in the recent years. It is estimated to be 0.7 percent in 2008-09, compared to 0.4 percent in 2000-01. But given the long-pending goal of allocating 6 percent of GDP to education by the union and state governments together, the current level does seem to be far from satisfactory. The Union Government and also equally, if not more importantly, the states have to increase their allocations to education substantially to reach the goal. Further, in the Union Budget, the education sector accounts hardly for five percent of the total expenditure in 2008-09.

While non-plan expenditure is also important as it is required for the maintenance and upkeep of the system, it is plan expenditure

08 and 38 percent in 2007-08. Further, education sector also accounts for less than 10 percent of the total plan expenditure of the Union Government, though the ratios increased marginally over the years.

## Expenditure by Levels

Year	Rs in Crore	Percent Increase over the preceding year	Percent of All Sectors
2004-05 RE	10224.2	..	7.73
2005-06 RE	15041.7	47.1	7.32
2006-07 RE	20745.5	37.9	8.49
2007-08 RE	25425.4	22.7	8.17
2007-08 BE	28671.5	38.2	8.97
2008-09 BE	34393.5	35.1* (20.0**)	9.16

\*\* Over the budget estimate of the preceding year.

\* Over the revised estimate of the preceding year.

Source: union budget 2008-09 and Earlier years.

Plan allocations to every level of education have been raised in the union budget during the last five years in nominal prices, as shown in Table 4. Significant hikes in allocation to elementary education can be noted in 2005-06 and later; those to secondary and higher education in 2006-07 and later; those to adult education and technical education only in 2008-09.

**Table 4: Plan Expenditure on Education, by Levels**

	Elementary	Secondary	Adult	Higher	Technical	Total Education
Rs in Crore (In nominal price)						
2000-01	3117.4	554.1	108.2	497.6	494.0	4854.8
2001-02	3569.2	615.4	174.0	544.7	552.1	5560.1
IX Plan (1997-2002)	16370.0	2322.7	520.4	2270.9	2109.5	24908.4
2002-03	4257.6	574.5	213.4	619.1	600.4	6380.0
2003-04	5201.0	638.0	231.9	560.4	625.1	7371.1
2004-05	7710.2	652.3	236.0	810.7	615.7	10133.2
2005-06	11749.3	874.9	241.8	843.6	711.2	14552.5
2006-07	16560.0	1027.2	212.9	1346.5	863.2	20213.8
X Plan (2002-07)	45478.0	3766.9	1136.1	4180.3	3415.5	58650.6
2007-08RE	20304.7	1635.3	251.0	1888.4	981.5	25452.4
2008-09BE	21795.0	4554.0	451.0	3529.5	2888.5	34393.5
Percent distribution						

2000-01	64.2	11.4	2.2	10.2	10.2	100.0
2001-02	64.2	11.1	3.1	9.8	9.9	100.0
IX Plan (1997-2002)	65.7	9.3	2.1	9.1	8.5	100.0
2002-03	66.7	9.0	3.3	9.7	9.4	100.0
2003-04	70.6	8.7	3.1	7.6	8.5	100.0
2004-05	76.1	6.4	2.3	8.0	6.1	100.0
2005-06	80.7	6.0	1.7	5.8	4.9	100.0
2006-07	81.9	5.1	1.1	6.7	4.3	100.0
X Plan (2002-07)	77.5	6.4	1.9	7.1	5.8	100.0
2007-08RE	79.8	6.4	1.0	7.4	3.9	100.0
2008-09BE	63.4	13.2	1.3	10.3	8.4	100.0
Sectors such as department of language, scholarship, book promotion, planning and administration are included in the total.						

**Source:** union budget 2008-09, Expenditure Budget vol II and earlier years and documents; and Financial Statistics of Education during the Eight, Ninth (1997-2002) and the Tenth (2002-2007) Five-Year Plan

During the Tenth Plan, allocation to elementary education was raised, but the relative shares of all other levels including secondary, higher general and higher technical, and adult educations were reduced. On the whole, in the Tenth Plan 78 percent of the total plan expenditure on education was devoted to elementary education, a meagre 6.4 percent to secondary education, 7.1 percent to higher education and 5.8 percent to technical education. Against this background, the allocations in the current annual budget (2008-09) mark a clear shift: allocation to elementary education has been reduced to 63 percent from around 80 percent of the total in 2006-07 and 2007-08; allocation to secondary education was doubled from 6.4 percent in 2007-08 (and the average of the Tenth Plan); the share of higher education was increased by 50 percent to above 10 percent, and a similar increase was made in technical education. The relative priority accorded to adult education has never been high; it remains more or less unchanged at a very low level.

Further, annual increases have not been even across all levels of education nor are they steady and smooth over the years at any level of education, as the figures in Table 5 show. For example, there was a negative rate of growth in expenditure on higher education in 2003-04 over the preceding year, followed by a 45 percent increase in the following year, which in turn was followed by a modest increase by 4 percent only in 2005-06. Similar zigzag trends can be noted at all levels of education, but secondary, higher and technical education suffered more, with occasional negative or very low rates of increase. The increase in the allocation to elementary education in the current year's budget has been the lowest.

If the current year's budget allocations are an indication of the trends to come during the Eleventh Plan, one can say that there is going to be a significant shift in relative priorities in education. The

pattern of allocation may shift in favour of secondary and higher and higher technical education and away from elementary education. Hopefully the shift will not adversely impact elementary education. Further, an important question is: will the significant increases made in the case of secondary and higher and higher technical education in the current budget, perceived as an election year budget, be sustained in the future?

### Elementary Education

The plan allocation for elementary education was raised in the 2008-09 budget by barely 7.3 percent over the Rs 20,300 crore (RE) in 2007-08. This is in nominal prices. In real prices, the allocation marks a stagnant level, as the rate of inflation is estimated to be around 7 percent. Also, as noted, the annual increase which was about 50 percent in 2005-06 and 2006-07 and 20 percent in 2007-08 has now come down further to single digits. If these trends continue elementary education may get further decreasing amounts in the coming years.

There are two major central schemes in elementary education. They are the *Sarva Shiksha Abhiyan* (SSA), launched by the Government of India in 2000 as the single largest holistic programme addressing all aspects of elementary education and as a time-bound scheme for realising the goals of universalisation of elementary education and the national programme of mid-day meals in schools. The two schemes together account for 97 percent of the total allocation made for elementary education in 2008-09. They constituted 84 percent of the Tenth Plan expenditure on elementary education.

In the Tenth Plan a total of Rs 26,000 crore was spent on SSA. Rates of utilisation of funds in the SSA seemed to have improved remarkably at the national level: almost all, in fact more than, the approved outlays was fully utilised during the Tenth Plan, as the statistics from the Planning Commission (2007) indicate. But reports of underutilisation of funds under SSA or siphoning of SSA funds are frequently made in several states (*Hindustan Times*, New Delhi, March 10, 2008).

But the beginning of the Eleventh Plan does not mark well for the SSA. For the first time, allocations to SSA have been reduced even in nominal prices, though the amount of Reduction is not high. Why is it that the allocation to SSA, the national flagship programme of the Union Government has been reduced? This may be because of the changing pattern of funding of SSA. In the Ninth Plan, when the SSA was launched, the centre met 85 percent of the expenditure of SSA and the states 15 percent. The respective shares were reduced to 75 and 25 percent during the Tenth Plan. It was originally expected to further change to 50:50 during the Eleventh Plan. To allow a gradual change, the funding pattern has been revised as 65:35 for the first two years of the Eleventh Plan, 60:40 for the third year, 55:45 for the fourth year and 50:50 in the fifth year of the plan and thereafter. There are, of course, demands for restoring the earlier pattern of 75:25 from several corners, including the Public Accounts Committee of the Parliament (*Times of India*, March 23, 2008).

**Table 5: Annual Increases (In nominal Prices) in the allocation to various levels of education in the union budget (in%)**

Years	Elementary	Secondary	Higher	Technical	Total Education
2002-03	19.3	-6.6	13.7	8.7	14.7
2003-04	22.2	11	-9.5	4.1	15.5
2004-05	48.2	2.2	44.6	-1.5	37.5
2005-06	52.4	34.1	4.1	15.5	43.6
2006-07	40.9	17.4	59.6	21.4	38.9
2007-08RE	22.6	59.2	40.2	13.7	25.9
2008-09BE	7.3	178.5	86.9	194.3	35.1

Source: Based on Table 4

When the development needs of elementary education are still huge, as reflected in terms of the number of the habitations without having any primary/upper primary schooling facility (estimated at one lakh), the need to upgrade all the Education Guarantee Scheme (EGS) schools into formal primary schools (in all about 70,000), a large number of out of school children (conservatively estimated to be above seven million),

high dropout rates (about 50 percent at upper primary level), a number of schools without adequate classrooms (the backlog is about 6.87 lakh classrooms), teachers, and other infrastructure facilities, etc, and the goals of the Eleventh Plan to improve the quality of education in all primary schools to the level of Kendriya Vidyalayas and to gradually improve the pupil-teacher ratio from 40:1 to 30:1 are all considered, any reduction in allocations to SSA may not be appropriate.

Further, we also hear that the Government is keen on introducing the Right to Education Bill (2005) in Parliament soon to make elementary education a fundamental right, “the surest way of ensuring rapid inclusive growth”, as stated by the Prime Minister, Manmohan Singh in the 80th Annual General Body Meeting of the Federation of Indian Chambers of Commerce and Industry on February 15, 2008 (Hindu, February 16, 2008); and the Union Government might take on all the financial responsibility of the bill which is estimated to be as high as Rs 12.5 billion a year (<http://www.newkerala.com/one.php?action=fullnews&id=25685>).

**Table 6: Union Government Expenditure on Elementary Education (Rs in Crore)**

Year	Sarva Shiksha Abhiyan	Mid-Day Meals	Total Elementary Education
1997-98	..	1070	2234.9
1998-99	..	1600.2	2749.8
1999-2000	..	1500	2852
2000-01	76.5	1299.1	3117.4
2001-02	499.8	1030.3	3569.2
IX Plan (1997-2002)	576.3	6499.5	14523.3
2002-03	1567.2	1099.1	4527.6
2003-04	2370.6	1375	5201

2004-05	3239.2	1588.6	7710.2
2005-06	7535.9	3184	11749.3
2006-07	10900.4	5324.4	16560
X Plan (2002-07)	25973.3	12571.1	45748
2007-08RE	13171	6678	20304.7
2008-09BE	13100	8045	21795
Total includes others item/schemes/budget heads.			

**Source:** union budget 2008-09: Expenditure Budget Vol II Education during the Eighth, Ninth, (1997-2002) and the Tenth (2002-2007) Five-Year Plan

But the allocations to SSA in the union budget of 2008-09 do not indicate any such emphasis. In fact, the budget allocations belie all such expectations. The Economic Survey (2007-08), released two weeks after the statement by the prime minister, notes, “The 86th Constitutional Amendment of 2002 led to the inclusion of a new Article 21-A in Part III of the Constitution that made Free and Compulsory Education to all children of 6 to 14 years of age a Fundamental Right.” It further notes, “Pending enactment of a suitable follow-up legislation envisaged in Article 21-A, the 86th Constitutional Amendment has not yet been enforced” (p 249). But it does not state how long it will be pending. It however, recognises the need for policies and programmes to provide good quality elementary education to all, not because of moral or Constitutional compulsions of enforcing the amendment, but because the country has to honour the commitment to the Millennium Development Goals and Education for All, and in realisation of the commitment made under the National Common Minimum Programme of the present government. In short, if the budget allocations are taken as an indication, the Right to Education Bill may take some more time.

The second-most important scheme in elementary education is the mid-day meal scheme, earlier known as “the national programme of nutritional support to primary education”, which was launched in 1995 with the twin objectives of increasing enrolment, retention and attendance rates in primary education and simultaneously improving the nutritional status of school-going children. In 1995 it covered just 3.34 crore children in 3.22 lakh schools. In 2006-07, the number of children receiving meals was 12 crore in 9.5 lakh schools. This is regarded as the world’s largest school lunch programme.

The programme was extended to upper primary classes (VI-VIII) in 3,479 educationally backward blocks in October 2007. This was estimated to increase the coverage of children by 1.7 crore. One might expect this to have resulted in an increase in the actual (revised) budget expenditure over and above the budget allocation made for 2007-08. But surprisingly, the revised budget expenditure (Rs 6,678 crore) for the mid-day meal scheme was less than the budget provision (Rs 7,324 crore). In the current budget proposal, it is to be extended to cover all blocks in the country, i e, to benefit additionally 2.5 crore children, in all to cover 13.9 crore children.<sup>1</sup> Will the small

<sup>1</sup> But the Eleventh Five-Year Plan estimates the figure to be 18 crore by 2008-9.

increase in allocation of resources to the scheme be adequate to meet the increasing numbers of children to be covered?

On the whole, does the stagnation or even the likely real decline in the allocations to elementary education signal the end of the special priority accorded to elementary education in recent years in allocation of resources?

## Education Cess

An important aspect of budget expenditure on elementary education is the source of funds. While most sectors receive funds from the overall budgetary support, elementary education receives substantial resources from a earmarked tax, viz, the education cess. The education cess, introduced in 2004 is a cess levied at the rate of two percent on all major central taxes – income tax, corporation tax, excise duties, customs duties, and service tax. The revenue from cess is meant for elementary education.

The *Prarambhik Shiksha Kosh* (PSK) was set up in 2005 as a dedicated nonlapsable fund, with the revenues of the education cess. The *Kosh* is to fund the two major schemes in elementary education, viz, the SSA and the noon meals. It is actually expected that these two schemes are largely financed out of gross budgetary support, and only after exhausting the funds provided by the gross budgetary support, the balance of the expenditure is to be financed from the *Kosh*. It appears that exactly the opposite is happening.

A disproportionately large amount of expenditure on SSA and noon meals is met out of revenues collected from the education cess. As high as 74 percent of the expenditure on SSA and the noon meals in 2008-09 is to be met by the *Kosh*, i e, by the revenues received from education cess, and the balance out of general budgetary support. The corresponding figure, i e, the share of the *Kosh*, was 69 percent in 2007-08. In other words, the two major components of elementary education receive very little resources from general tax and non-tax revenues.

A secondary and higher education cess, introduced last year at the rate of one percent on all major central taxes, additionally yielded Rs 1,736 crore in 2007-08 and is likely to yield Rs 1,970 crore in 2008-09. It is likely that this will be used to finance the Scheme for Universal Access and Quality at the Secondary Stage (SUCCESS) for which an allocation of Rs 2,230 crore is made in the current year's budget.

## Secondary Education

The Eleventh Plan rightly recognises that in the context of rapidly changing technology and the growth of the knowledge economy, “a mere eight years of elementary education would be grossly inadequate for our young children”. Accordingly, SUCCESS was launched as a centrally sponsored scheme during the Eleventh Plan.



**Table 7: Revenues from Education Cess**  
(Rs in Crore)

Year	Educatuion Cess	Secondary and Higher Education Cess
2004-05RE	5010	..
2005-06RE	7492	..
2006-07RE	8949	..
2007-08BE	12931	1755
2007-08RE	14010	1736
2008-09BE	16133	1970

**Source:** union budget (2008-09) Receipt Budget and earlier years.

The main objective of the scheme is to make secondary education of good quality “available, accessible and affordable” to all young students in the age group of 15-16 years, i e, for classes IX and X. Note that it does not include senior secondary level (grades XI-XII), completion of which is necessary for the children to go for higher education. The scheme aims at universal access of secondary education to all students by 2015 and universal retention by 2020. It also sets targets of a gross enrolment ratio of 65 percent by 2011-12, and a reduction in gender disparity in the enrolment ratio by 5 percentage points, improvement in pupil-teacher ratio to 25:1 and pass percentage rates

in board examinations at the end of grades X and XII to 75 percent [MHRD 2007]. The programme involves provision of necessary infrastructure and resources for increasing the capacity of the system, strengthening the existing schools by filling the missing gaps, and provision of extra support for girls, rural children and other weaker sections of the society, viz, scheduled caste (SC)/tribe (ST) children and minorities. It is envisaged as a holistic convergent framework for implementation of various schemes in secondary education, like the SSA in elementary education. An allocation of Rs 1,306 crore was made for the SUCCESS in the last year’s budget, but as the programme is yet to take off, it was not spent. In the current budget, Rs 2,230 crore was allocated to it, which forms nearly half of the total allocation to secondary education sector.

In fact, as already noted, secondary education received the biggest hike in budgetary allocations – 1.5 times increase over the budget allocation in 2007-08 and 2.8 times increase over the revised estimate! Nearly half the allocation made in 2007-08 was returned unused. Besides, the SUCCESS and other ongoing programmes/ schemes, the current budget has provided for a few important new programmes/ schemes. They include establishment of 6,000 new high quality model schools – one in each block and new Jawahar Navodaya Vidyalayas in 20 districts that have large concentration of SCs/STs.

The model school programme is a new one and it is expected that the new model schools will serve as a benchmark for excellence in secondary education, and a sum of Rs 650 crore has been allocated for the same. The finance minister has proposed in his budget speech an allocation of Rs 130 crore for the special Navodaya Vidyalayas.<sup>2</sup> The programme of model schools includes setting up of 3,500 schools by the government (3,000 as Kendriya Vidyalayas and 500 as Navodaya Vidyalayas) and 2,500 schools through public-private partnership. The latter ones, as the Eleventh Plan makes clear, are to be managed and run by involving corporate sector, philanthropic foundations, endowments, educational trusts and reputed private providers. The special Navodaya Vidyalaya programme may

<sup>2</sup> The budget details (Expenditure Budget Vol II, pp 134-35) do not show any allocation under this category in 2008-09.

be promoting equity to some extent, as they will be set up in specially chosen districts, but it has to be noted that they are not necessarily for SCs and STs. More importantly, the new model school programme that includes 2,500 schools to be set up through private-public partnership, looks more elitist in nature. Both types of schools – the special Navodayas and the model schools – may suffer from being inequitable, unless special measures are adopted to check elitism and to promote equity and inclusive growth.

**Table 8: Plan Allocations to Selected Items in Secondary Education\***

(Rs in Crore)

	2007-08BE	2007-08RE	2008-09BE
Navodaya Vidyalaya Samiti	710.0	860.0	700.0
Kendriya Vidyalaya Sangathana	300.0	300.0	300.0
Information and Communication Technology in School	250.0	250.0	300.0
Vocational Education	20.0	1.0	37.0
National Merit Scholarship (OSC)	120.0	120.0	120.0
Special Navodaya Vidyalayas	275.0	0.2	
New Model School	..	..	650.0
Upgradation of Kasturba Gandhi Balika Vidyalaya	..	..	80.0
SUCCESS	1305.9	1.1	2230.0
National Merit-cum-Means Scholarships for IX-XII students	0.0	750.0	0.0
Total Secondary	3164.0	1635.3	4554.0

\*includes allocations made to north-eastern region. Totals include other item/schemes/budget head.

Source: union budget 2008-09: Expenditure Budget Vol. II

An important initiative taken by the government in last year's budget is the National Means-cum-Merit Scholarship scheme for students in grades IX-XII. A corpus of Rs 3,000 crore was to be built up with an annual allocation of Rs 750 crore for four years. A similar allocation was made last year and it was met from Social Infrastructure Development Fund. In 2008-09 also a similar allocation was proposed by the finance minister in his speech.<sup>3</sup>

According to the scheme, one lakh scholarships will be awarded beginning 2008-09 at the rate of Rs 6,000 per year per student. This is expected to increase and sustain demand for secondary education. However, the scheme is designed not as a scholarship scheme to be administered by the department of education. On the other hand, under the scheme, funds will be placed at the disposal of the State Bank of India to create a corpus, with the yield from corpus utilised to fund the scholarships.

Thus the budget proposals for secondary education include those that aim at massive expansion – quantitatively and in quality, and also some that seem to be highly elitist in nature.

<sup>3</sup> This allocation is also not shown in the budget details (ibid, p 134).

Vocational education at the secondary level has never received serious attention of the educational planners. The small amount of Rs 20 crore allocated in 2007-08 remained virtually unused. Now an allocation of Rs 37 crore is made in the current year's budget. But training and skill development are important and the government seems to be concerned about it, though it is not planned as a part of the education budget.

Upgradation of 238 Industrial Training Institutes (ITIs) has been taking place with the assistance from the World Bank. The budget also makes a provision of Rs 750 crore for the upgradation of other 300 and odd more institutes in 2008-09. But the upgradation programme is taken up as a public-private partnership scheme with the collaboration of partners in industry. Using the same model of public-private partnership, the government intends to set up a Skill Development Corporation, a non-profit corporation to carry on skill development mission and to launch a world class skill development programme. It is expected to garner Rs 15,000 crore as capital from Central and state governments, the public and private sectors, and bilateral and multilateral sources. The current budget provides for Rs 1,000 crore as government's equity in the corporation. It is too early to comment on how the public private partnership model will work in skill development. Alternatively the government could have thought of setting up a Skill Development Fund, like the PSK, with contributions from various public and private sources, and as a non re-lapsable fund, to be managed by the government that would finance all skill development programmes in the country.

It is important to note in this context that we need three distinct types of skill development programmes – a major one for the “common people” or for the people in the unorganised sector who need normal vocational, technical and other skills for earning basic livelihood and to come out of poverty, one to meet the needs of the “normal” formal sector, and another for upgradation and reskilling the manpower required for the emerging “knowledge economy”, i e, to produce knowledge workers in high paying domestic and even foreign markets such as IT markets. Policies and methods of funding have to be different for the three types. Generous public funding is critical for the first two types of programmes.

### **Higher Education**

There is a significant hike in the allocations to higher education in 2008-09 compared to the revised estimates for 2007-08. In last year's budget an allocation was made for Rs 6,483 crore for higher education. A large part of the allocation could not be used, as a significant amount was meant for additional expansion of the system by 54 percent, anticipated in view of the reservations for other backward classes in central higher educational institutions, which was stayed by the Supreme Court. So only 50 percent of the allocation was utilised and as much as Rs 3,221 crore was returned. Though the issue of reservations is not referred to, major expansion of the higher education system is planned in the current year (and also during the Eleventh Plan) and the allocation was more than doubled in the current year's budget over the revised estimates for 2007-08.

It is important to note that both general higher education and technical higher education have been assigned substantially increased allocations in the current budget, as shown in Table 9. Plan allocation to the University Grants Commission has been nearly doubled; allocation to the All India

Council for Technical Education has been raised by 2.4 times; the allocation for the Indian Institutes of Management doubled and for the Indian Institutes of Technology and also the Indian Institute of Sciences trebled.

**Table 9: Allocation to selected Institutions/Programmes in Higher Education in the union budget**

(Rs in Crore)

Category	Plan			Non-Plan			Total		
	2007-08BE	2007-08RE	2008-09BE	2007-08BE	2007-08RE	2008-09BE	2007-08BE	2007-08RE	2008-09BE
UGC	2124.8	1633.1	3095.5	1638.8	1948.9	2009.4	3763.5	3581.9	514.9
IITs	1111.7	335.3	1020.7	442.0	490.0	525.0	1553.7	825.3	1545.7
New IITs	80.0	0.0	50.0	..	..	..	80.0	0.0	50.0
IIMs	103.0	43.0	88.0	41.0	42.2	27.0	144.0	85.2	115.0
IISc	196.0	40.0	130.0	87.2	86.0	91.0	283.2	126.0	221.0
AICTE	892.0	297.4	718.0	234.1	263.0	285.0	1126.1	560.4	1003.0
Total General	2910.0	1958.4	3946.0	1755.0	2072.7	2137.7	4665.1	4031.1	6083.7
Total Technical	2929.0	981.5	2888.5	941.0	1020.4	1074.7	3870.0	2001.9	3963.3
Grant Total (Dept. of Higher education)	6483.0	3262.0	7600.0	2729.0	3136.0	3259.4	9212.0	6398.0	10859.4

Source: union budget 2008-09: Expenditure Budget Vol. II

These hikes are over the revised estimates for 2007-08. In fact, if we compare the allocations in the current year with the budget estimates of the allocations made in 2007-08, we note that the increase has been made only in case of allocation for UGC (and total general higher education); and allocations to technical education have been considerably less than the budget allocations made in the previous year.<sup>4</sup>

A substantial proportion of the increase in the plan allocation to the UGC might be meant for establishing 16 new central universities in each of the states where there exists no Central University as of now. An amount of Rs 50 crore is allocated for setting up three new Indian Institutes of Technology (IITs) – one each in Andhra Pradesh, Bihar and Rajasthan. Increased allocation for technical education includes allocation for two Indian Institutes of Science for Education and Research (IISER) at Bhopal and Thiruvananthapuram and two Schools of Planning and Architecture at Bhopal and Vijaywada. During the Eleventh Plan, in all, it is planned to establish 30 new central universities including 14 world class universities, as many as eight new IITs, seven new Indian Institutes of Management, 10 new National Institutes of Technology, three IISER, 20 Indian

<sup>4</sup> Non-plan allocation to IIMs was reduced by nearly 35 percent from Rs 42.2 crore in 2007-08 (revised estimate) to Rs 27 crore in 2008-09. Such cuts might force, as one can rightly interpret the recent developments, these institutions to hike their student fee levels.

Institutes of Information Technology and two Schools of Planning and Architecture. This indeed marks a massive expansion.

Though the higher education system does require massive expansion, the expansion of both general as well as technical higher education needs to be carefully planned. The expansion is long overdue. But will it be sustainable? Problems of shortage of high quality faculty are already being felt in the existing institutions. Long periods of underfunding of higher education, virtual ban on recruitment of faculty and other similar measures have resulted in accumulation of such problems. All of a sudden, when funds are made available, it may be possible to set up many central universities and technical institutes, but it may not be easy to staff these institutions with high quality faculty, unless new and innovative methods are thought of to attract good faculty. Otherwise there is a danger of planning and designing these new institutions on a very small scale, with a very small number of faculty and student numbers, offering a few specialised, if not market-oriented, programmes, as a result of which they may turn out to be privileged and elite institutions. Alternatively, these institutions will be allowed to grow into large size in terms of student numbers but with small faculty, or large numbers of low quality faculty. Both are serious dangers that need to be avoided. The question of sustainability or their “viability” assumes importance, as the location of the central universities and other institutes, including world class universities, it appears, is being decided more on political considerations, rather than on educational and other relevant scientific and objective considerations. Further, all the central universities and other central institutes of higher education, though being set up on regional considerations, need to be designed to work truly as national institutions of higher education, with students and faculty drawn from all parts of the country and all socio-economic strata, truly representing national diversity, an essential characteristic feature of good national institutions of higher education.

Lastly, public-private partnership models are being thought of in setting up some of these institutions, but such modes do not necessarily work in the area of education for the benefit of the larger society.

## Scholarships

An important budget item which receives very little public attention, partly because of the insignificant amounts of resources allocated, refers to the national scholarship scheme. The scheme consists of (i) Scholarships for Talented Children from Rural Areas, and (ii) National Merit Scholarship Scheme. In fact, the pattern of the budget allocations and the pattern of utilisation of the funds available for the scheme, as shown in Table 10, looked like a travesty of the very scheme, that is expected actually to promote both equity in education and reward merit. Insignificantly small amounts, often a few lakhs of rupees were allocated, and a very small proportion of those small amounts were utilised. The scheme meant for the talented children in rural areas seems to have been discontinued after 2004-05, and the merit scholarship scheme discontinued in 2006-07, as no more plan allocations were made in subsequent years. After winding up both the schemes, a new Scholarship Scheme for College and University Students was launched in 2007-08 with an allocation of Rs 12.60 crore, which was raised to Rs 45 crore in the current budget – not substantially larger than the allocations to the earlier scheme.

**Table 10: Expenditure of Scholarships in the union budget**

(Rs in Crore)

Years	National Scholarship Scheme (Merit Scholarship)			Scholarship for Talented Children in Rural Areas		
	Expenditure	Approved Outlay	Expenditure as Percent of Approved Outlay	Expenditure	Approved Outlay	Expenditure as Percent of Approved Outlay
1997-98	0.45	0.75	60	0.2	0.4	50
1998-99	0.45	0.75	60	0.39	0.4	97.5
1999-2000	0.25	0.75	33.3	0.79	0.4	197.5
2000-01	0.27	2	13.5	0.38	0.4	95
2001-02	0.04	2	2	0.01	1	1
IX Plan (1997-2002)	1.46	6.25	23.4	1.77	2.6	68.1
2002-03	0.25	5	5	0.01	3	0.3
2003-04	0.13	5	2.6	0.02	3	0.7
2004-05	0.3	4	7.5	0.42	3	14
2005-06	8.36	11	76	0	0	..
2006-07	7.17	13	55.2	0	0	..
X Plan (2002-07)	16.21	38	42.6	0.45	16	2.8

Source: Financial Statistic of education during the Eighth, Ninth (1997-2002) and the Tenth (2002-2007) Five-Year Plan

**Table 11: Budget Allocations to Scholarships to Weaker Section**

(Rs in Crore)

	2007-08BE	2007-08RE	2008-09BRE
Scheduled Castes			
Pre-matric scholarship	611	811	731
Post-matric scholarship	25	7.5	64
Total	636	818.5	785
Scheduled Tribes			
Pre-matric scholarship	163.2	162	195
Backward castes			
Pre-matric scholarship	22.5	22.5	27
Post-matric scholarship	90.8	110.8	120.8
Total	113.3	133.3	147.8
Minorities			

Pre-matric scholarship	72	9	71.9
Post-matric scholarship	90	54	89.9
Total	162	63	161.8
Grand Total	1074.4	1176.8	1289.6

Source: union budget 2008-09: Expenditure Budget Vol. II

The scheme aims at providing scholarships to at least 2 percent of the students passing out of schools every year for pursuing higher education. While restructuring of the scholarship schemes with increased budget outlays and hopefully better execution needs to be welcomed, it is too early to comment on the new scheme; one only hopes that it will not be administered like the earlier schemes. The scheme needs to be strengthened in such a way that no meritorious student feels financially constrained to go for higher education. In fact, the attempt should be to see that every meritorious and needy study is necessarily guaranteed of financial assistance from the government for pursuing higher education.

There are some important ongoing schemes of pre- and post-matriculation scholarship for SCs, STs, other backward classes and minorities, which are administered by the ministries of social justice and empowerment, tribal affairs and minority affairs (Table 11). The allocations do not show any significantly different pattern compared to the budget estimates in 2007-08, though there are some significant increases over the revised estimates, particularly in the case of minorities.

## Conclusions

The allocations to education in the union budget 2008-09 have to be seen in the backdrop of the Eleventh Plan, which is about to be finalised, the recommendations of the National Knowledge Commission, which seem to have been endorsed by the government, and the political situation on the eve of the general elections. The budget allocation to education sector in budget 2008-09 marks, in nominal prices, a 35 percent increase over the previous year's revised estimates of budget expenditure. A close examination of the budget allocations indicates that this is not particularly high, compared to annual increases in earlier years. Nevertheless this is a good increase. More importantly, the allocations in the current budget signal three marked shifts in education priorities of the government – (a) from elementary to secondary and higher education, as there is no real increase in the allocation to elementary education, while the increases are quite impressive in the case of secondary education, higher technical education and higher general education; (b) from mass expansion to expansion of privileged and elite – academically and more importantly economically –institutions, reflected in the allocation of resources to create new model schools at the secondary level, and setting up of higher education institutions of world standards, including specifically management and technical institutions, some of which actually cater more to the needs of the global markets; (c) from a system of funding out of gross budgetary support to funding out of earmarked taxes/cess, as the reliance on education cess increases and allocation from the overall general budgetary support ceases to grow much; and (d) to a system of delivery that relies more on

new modes of public-private partnership. The new emphasis on public-private partnership, an issue that figures prominently in the approach to the Eleventh Plan, and an issue that is at the back of the budget proposals relating to expansion of secondary and higher education and also in the case of vocational education and skill development is indeed conspicuous.

Until now it is the government that identified projects and called for private sector's participation and execution in the framework of public-private partnership. According to the redefined approaches to public-private partnership, the private sector will take the lead. Limited available experience shows that public-private partnership models do not work, they are not relevant, or are yet to demonstrate their relevance and social desirability in the area of education.

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# Common School System and the Future of India

*Anil Sadgopal\**

The debate on Right to Education was initiated by Mahatma Jotirao Phule almost 125 years ago when a substantial part of the memorandum presented by him to the Indian Education Commission (i.e. the Hunter Commission) in 1882 dwelt upon how the British government's funding of education tended to benefit "Brahmins and the higher classes" while leaving "the masses wallowing in ignorance and poverty." Mahatma Phule drew attention to the irony that this happens when most of the revenue collected by the British government is generated from the output of the labour of the masses themselves. Things have not fundamentally changed since then. In 1911, when Gopal Krishna Gokhale moved his Free and Compulsory Education Bill in the Imperial Legislative Assembly, he faced stiff resistance. Instead of supporting the Bill, the members representing the privileged classes from Mumbai, Maharajas and other rulers from princely states and the big landlords from feudal areas talked of the conditions in the country not being ripe for such a Bill and that haste should be avoided. The Maharaja of Darbhanga from Bihar collected 11,000 signatures on a memorandum from princes and landlords expressing concern about what would happen to their farm operations if all children were required to attend the school! The Bill obviously could not be approved. At the National Education Conference held at Wardha (Maharashtra) in 1937, Mahatma Gandhi had to use all the moral powers at his command to persuade the ministers of education of the newly elected Congress governments of seven provinces to give priority to basic education (*Nai*

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*Talim*) of seven years and allocate adequate funds for this purpose. The Ministers kept on pointing out that there was no money.

During the Constituent Assembly debate in 1948-49, a member contended that the commitment made in the draft Article (later to be known as Article 45) to provide “free and compulsory education” to children up to 14 years of age should be limited to only 11 years of age as India would not have the necessary resources. The dilution would have been made but for Dr. Babasaheb Ambedkar’s clarity of mind that it is at this age of 11 years that a substantial proportion of children become child labourers. He forcefully argued that the place for children at this age in independent India should be in schools, rather than in farms or factories. This is how an unambiguous commitment to provide free education through regular full-time schools to all children up to 14 years of age (including children below 6 years) by 1960 became an integral component of India’s Constitution. This implies that the persistence of more than half of our children today in the school going age group of 6-14 years as out-of-school children<sup>1</sup> (at least 5 crores of them being child labourers) constitutes a clear violation of the Constitution. Likewise, the provision of non-formal education in the National Policy on Education–1986 as well as the parallel streams of facilities of varying qualities in the World Bank-sponsored District Primary Education Programme (DPEP) of the 1990s and the ongoing *Sarva Shiksha Abhiyan* (about 35 percent of its funds are from World Bank, European Union, DFID and other international agencies) violate the basic spirit of the Constitution as all these are designed to co-exist with both the child labour and inequality in society.

The rhetoric of lack of resources for mass education has continued to dominate policy formulation since Independence. In June 2006, the Central Government, claiming lack of resources, decided not to present the Right to Education Bill in the Parliament in spite of it becoming obligatory under Article 21A introduced through 86th Constitutional Amendment in December 2002. Instead, the central government sent a highly diluted and distorted draft Bill to the state/UT governments advising them to get it approved in their respective assemblies. This amounted to blatant abdication by the centre of its constitutional obligation to give effect to the historic fundamental right accorded to elementary education for children in the 6-14 year age group. The Indian State is so scared of giving children Fundamental Right to Education that it has not even notified the 86th Constitutional Amendment to date though it was signed by the President of India more than five years ago.

## Right to Education as Envisioned in the Constitution

The majority comprising the upper classes and upper castes in the Constituent Assembly ignored Dr. Ambedkar’s plea to place Article 45 in Part III of the Constitution, thereby denying education

1 These include two categories of children: (a) those who never enrolled in schools either due to their own/ parents’ decision or due to unavailability of functioning schools; and (b) those who enrolled but were compelled to leave schools for various reasons at different stages of elementary education (Class I to VIII). It should be noted that no child in India ever ‘drops out’ despite what the government claims. By and large, the children are either ‘pushed out’ or simply ‘walk out’ in protest against curriculum that amounts to imposition, pedagogy that destroys inquisitiveness, critical thinking and creativity and cultural environment that demeans two-thirds of our children (i.e. dalits, tribals, minorities, most backward classes, disabled and particularly girls in each of these categories). The Hindi film ‘*Taren Zameen Par*’ (Director: Aamir Khan), released in January 2008, powerfully (though only partially) brings out this anti-child character of our school system. See Footnote 9 for further elaboration of this issue.

the status of a fundamental right in modern India. Instead, this Article was placed in Part IV of the Constitution making it a Directive Principle of the State Policy. In spite of this denial, there are five critical dimensions of the vision of education that emerges from the Constitution which must guide social movements in their struggle to gain right to education. First, this was the only Article among Directive Principles (Part IV) that had spelt out a time frame for its fulfillment viz. *within ten years of the commencement of the Constitution*. The political leadership, irrespective of its ideological orientation, has so far failed to meet this obligation. Second, the *children below six years of age* were included in the reference to the children up to 14 years of age in Article 45. This made the provision of Early Childhood Care (including nutrition, healthcare and balanced development) along with pre-primary education of the children from birth to six years of age a constitutional obligation of the State<sup>2</sup>. Third, the Constitution placed the agenda of *eight years of elementary education* before the State, rather than *merely five years of primary education*. In this light, the attempt by the policymakers since the 1990s, as reflected in World Bank-sponsored DPEP, to reduce this agenda to primary education must be viewed as being violative of the Constitution's vision<sup>3</sup>. Fourth, elementary education must be provided in such manner *as not to violate other provisions of the Constitution*, especially fundamental rights. For instance, educational planning must be consonant with the principles of equality and social justice enshrined as fundamental rights. This has major implications that we will take up when we discuss the agenda of Common School System. It would suffice to state here that any programme that provides education of varying quality to different sections of society and denies education of equitable quality is not allowed by the Constitution. Fifth, the Article 45 should have been invariably read *in conjunction with Article 46* which directs the State to give special attention to the education of the SCs and STs.

The discourse on right to education got a new turn with Supreme Court's Unnikrishnan's Judgement (1993). In this almost revolutionary interpretation of the Constitution, the Supreme Court stated that Article 45 in Part IV of the Constitution must be read in "*harmonious construction*" with Article 21 (*Right to Life*) in Part III since right to life is meaningless if it is without access to knowledge. The Supreme Court held that the right to basic education is implied by the basic fundamental right to life i.e Article 21 when read in conjunction with directive principle on education i.e Article 41. The court held that the right must be understood in the context of directive principle of state policy, including Article 45 which provides that the state is to endeavour to provide, within a period of ten years from the commencement of the constitution, for free and compulsory education for all children under the age of 14. Thus the Supreme Court in 1993 accorded the status of Fundamental Right to "free and compulsory education" of all children up to 14 years of age (including children below six years of age).

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2 It is this category of *children below six years of age* (almost 17 crores) that was excluded from fundamental right when Article 21A was introduced in December 2002 through 86th Constitutional Amendment.

3 Eight years of elementary education (class I to VIII) may have been an adequate provision in 1950 but today it is far from being adequate. No one can get any job or enter a career with a class VIII certificate. Even with a class X certificate, hardly any career option becomes available, not even the low profile ITI or para-medical courses. There is a strong case now for extending the concept of fundamental right to cover up to 18 years of age so that plus two education becomes accessible to all. This will also link right to education with the social justice agenda since the benefits of reservation will become available essentially after completing plus two.

## Right to Education and the Ruling Class

The above historic declaration by the Supreme Court in 1993 made India's ruling class uncomfortable. The central government undertook a series of exercises in the following years designed to extricate itself of the implication of the judgment. The Saikia Committee Report (1997) and the 83rd Constitutional Amendment Bill (August 1997) along with the report of the HRD Ministry-related Parliamentary Committee (November 1997) provide evidence of the clever ways being conceived in order to dilute and distort the concept of the Fundamental Right to education. However, there was public criticism of these attempts. Intellectuals, activists and people's organisations presented memoranda of their concerns to the Parliamentary Committee and organised public debates engaging leadership of major political parties (e.g. Delhi University Convention, December, 1997). Sensing this resistance, the entire matter of right to education was put in cold storage for the next four years.....

In November 2001, the 86th Constitutional Amendment Bill was presented in the Lok Sabha (the Lower House of Parliament). This Bill, like its predecessor 83rd Amendment Bill, too, was flawed. It was misconceived insofar it (a) excluded almost 17 crore children up to six years of age from the provision of fundamental right to *free* early childhood care and pre-primary education; (b) restricted the fundamental right of even the 6-14 year age group by placing a conditionality in the form of the phrase "*as the State may, by law, determine*" in Article 21A; this gave the State the instrumentality to restrict, dilute and distort the fundamental right given through Article 21A; (c) shifted the Constitutional obligation towards free and compulsory education from the State to the parents/guardians by making it their fundamental duty under Article 51A (k) to "*provide opportunities for education*" to their children in the 6-14 age group; and (d) reduced, as per the financial memorandum attached to the amendment Bill, the State's financial commitment by almost 30 percent of what was estimated by the Tapas Majumdar Committee in 1999.

There was widespread public criticism of the anti-people character of the above Bill. A rally of 40,000 people, drawn from different parts of the country, at Delhi's Ramlila Grounds held on the day the Bill was discussed in the Lok Sabha (November 28, 2001) demanded radical amendments in the Bill. Several Lok Sabha MPs, cutting across party lines, also criticised the Bill. In public mind, it was becoming clear that the hidden agenda of the Bill was not to accord the status of Fundamental Right to elementary education but to snatch away the comprehensive right that the children up to 14 years of age had gained through the Unnikrishnan Judgment. Ignoring the public outcry, however, a consensus was arrived at among all the political parties of varying ideological backgrounds and the Bill was passed in both Houses of the Parliament without even a single dissenting vote. The aforesaid four flaws in the Bill, now legitimised through the 86th Amendment in December 2002, have since provided the basis for misconceiving the *Sarva Shiksha Abhiyan* and, more recently, the so-called Model Bill viz. Right to Education Bill (2006) sent to the state/UT governments.

It is noteworthy that the new Article 21A introduced through the 86th Amendment is the only fundamental right that has been given *conditionally*. As pointed out above, this right will be given to the children "*as the State may, by law, determine.*" None of the other fundamental rights is tied

to such a pre-condition. It is precisely this legislation that both the NDA and UPA governments failed to finalise and present in the Parliament. The latest move of the centre in June 2006 to shelve the Bill altogether by sending a flawed draft to the states/UTs, amounts to abdication by the Indian State of its constitutional obligations. Why did it become necessary for the ruling elite to incorporate such a pre-condition in Article 21A in the first place and then not to enact the legislation as per its requirement? In order to answer this question, we must examine the major policy shift that has taken place as a result of the adoption of the so-called economic reforms and the neo-liberal agenda of globalisation.

One matter must be settled at this juncture. The ruling elite imagines that, as a result of the 86th Amendment and introduction of Article 21A, it has succeeded in divesting the children below six years of age of their right to education, including right to early childhood care and pre-primary education. However, the fact is that this amendment does not negate Supreme Court's Unnikrishnan Judgment (1993) which directed that the original Article 45 of Part IV may be read in harmonious construction with Article 21 (Right to Life) of Part III. This raised the original Article 45 to the status of a fundamental right. In view of this, the amended Article 45, providing for early childhood care and education, can still be legitimately read in conjunction with Article 21, thereby giving the children below six years of age a fundamental right that was snatched away by the 86th Amendment.

Before probing the impact of the neo-liberal agenda, let us acknowledge a rather discomfiting reality. In spite of the significant flaws of the 86th Constitutional Amendment as pointed out above, it has taken the country more than five decades to accord education the status of Fundamental Right. In this sense, the amendment has indeed given the social movements a fairly powerful weapon to continue and broaden their struggle for education with equality, social justice and dignity. From this perception emerges a three-fold agenda viz. (a) struggle for realising the full entitlement made available from this otherwise limited 86th Amendment; (b) using policy analysis (see the following Section) as a people's tool of struggle, expose the political economy of the amendment with a view to reveal the class character of the Indian State as well as the neo-liberal agenda before the masses; and (c) extend the struggle to seek pro-people amendment of the 86th Amendment itself.

## Neo-Liberal Assault on Education Policy

Although the agenda of globalisation started operating in India from the mid-1980s onwards, its formal announcement was made through the New Economic Policy in 1991. The new element was IMF-World Bank's Structural Adjustment Programme imposed on the Indian economy as a pre-condition to receiving fresh international loans/grants. This meant that the Indian government was *obliged to steadily reduce its expenditure on the social sector*, particularly health and education. This was a rather enigmatic pre-condition in a country where the vast majority of the people did not have access to quality health or education. In education, it made even less sense as it was imposed by those who were advocating 'Education For All' programme along with the move towards the so-called "Knowledge Economy". One can't, therefore, avoid asking the question: what was the hidden agenda? An analysis of the declaration issued by the World Bank-UN sponsored "World Conference on Education for All" (1990) reveals that the central thesis in the Indian context was three-fold. First, *the State must abdicate* its Constitutional obligation towards education of the masses in general

and school-based elementary education in particular, *become dependent on international aid* for even primary education and work through NGOs, religious bodies and corporate houses. Second, *the people neither have a human right as enshrined in the UN Charter nor a Fundamental Right to receiving free elementary education of equitable quality as implied by the 86th Amendment*. Third, *education is a commodity* that can be marketed in the global market. It follows, therefore, that the education system - from the pre-school stage to higher education - must be, as rapidly as possible, privatised and commercialised. This central thesis has originated from the highest echelons of the global market economy and the Indian Parliament, along with India Inc., has unfortunately acquiesced without any critical scrutiny whatsoever, purportedly in larger “national interest”. Prof. Noam Chomsky, the redoubtable US scholar-cum-activist, would not have found a more shameful example of his proposition of “manufacturing of consent”!

In smaller countries, particularly in the ones lacking a strong base of government-funded schools, the above neo-liberal agenda would not be hard to implement. However, in a vast country like India, having a rich history of government’s engagement in education, the neo-liberal agenda required a special strategy. The Indian situation was marked by glaring contradictions. An estimated 100 million children in India can’t read let alone enrol in schools. Twenty million three-to-five years-old live in slums with no access to preschools. And more than 17 million children go to off to work instead of school. On the one hand, a whole generation of academia, writers, scientists, doctors and engineers, civil servants, lawyers and public figures until the 1990s had been, by and large, nurtured in the government-supported education system. In 1991, the massive school network comprised more than 8 lakh (0.8 million) schools (the figure has grown to more than 11 lakhs (1.1 million) today), 94 percent of which were either government/local body or private but government-aided schools. Less than 6 percent were private unaided schools. The higher education system then comprised about 5,000 colleges, 1,000 professional institutions and 200 universities. It is no body’s case, on the other hand, that the system was adequate – either in quantity or in quality. Half of the nation’s children (and two-thirds of the girls) were essentially out of school (see Endnote 5) – unable to complete even eight years of elementary education. The constitutional goal of achieving universal elementary education by 1960 eluded the policymakers, as it continues to do even today. A conservative estimate showed that the number of primary schools needed to be increased by almost two-fold while the number of upper primary and secondary schools needed to multiply several fold. As a conservative estimate, we needed *at least* twice as many qualified and well-trained school teachers as we had in 1991 (this number then was about 40 lakhs [4 millions]).

The 1986 education policy had resolved to raise investment in education such that it will reach at least 6 percent of GDP by the year 2000. This unfulfilled resolve was incorporated in the UPA’s Common Minimum Programme in May 2004. It was the 86<sup>th</sup> amendment when education was made a fundamental right in 2002. In 2004 the NDA government drafted the bill, but lost the elections before it could be introduced. The present UPA’s model bill was then lobbed back and forth between the centre and the states over the matter of funding and responsibility.

Yet, as percentage of GDP, India spent less on education in 2005-06 (less than 3.5 percent of GDP) than what it spent in 1985-86 when the policy was passed by the Parliament. This is despite the fact that the Government had levied 2 percent Education Cess and raised almost 35 percent of the

resources for *Sarva Shiksha Abhiyan* from international funding agencies. Clearly, as a result of the Structural Adjustment Programme, the political will to mobilise public resources for education by reprioritisation of Indian economy was at a lower level in 2005-06 than what it was 20 years earlier!

What the country needed in 1991 – five years after the 1986 policy – was a firm resolve to first rapidly fill up the cumulative gap resulting from continued underinvestment and then maintain the elusive investment level of 6 percent of GDP in the following decades. Nothing short of a radical departure was long awaited in order to energise and restructure the entire education system along with its curriculum. Yet, what the global market forces persuaded the Indian State to do in the 1990s was precisely the opposite of what was directed by the Constitution and resolved by the Parliament in the 1986 policy. The undeclared but operative strategy was to “*let the vast government education system (from schools to universities) starve of funds and, consequently, deteriorate in quality.*” As the quality would decline, resulting in low learning levels, the parents, even the poor among them, would begin to withdraw their children from the system. A sense of desperation and exclusion from the socio-economic and political space in the country would prevail. More importantly, the people’s faith in the Constitution and the capability of the State to fulfil its obligations will be shaken up, thereby leading to a cynical view of the nation-state. This will lay the groundwork for appreciation of market as a means of solving people’s problems. The neo-liberal economist and advocates have long striven for precisely this goal: measured weakening of the State and increasing credibility and power of the market.

When the children “walk-out” of the schools in protest against their poor quality and irrelevance (no child ever drops out, the official claims notwithstanding, as explained in Footnote 3!), two possibilities would emerge. First, low fee-charging unaided private schools (recognised or unrecognised) would mushroom to meet the new demand. Second, the government would have an *alibi* for closing down its schools as their low enrolment would have made them unviable. The school campuses could then be converted into commercial ventures such as shopping malls in urban areas or police stations in rural areas, as it has been happening all over the country. A well-equipped police force will increasingly become the State’s priority in “Shining India” (or “Incredible India”) with a view to protect the upward mobile middle class and the elite along with their establishments from the unemployed poor youth who were either denied school education or were compelled to quit without completing it. The likelihood of growth of lumpenisation in this category of youth could at least be partly attributed to the denial of the *opportunity for socialisation* in the common public space of the school, necessary for becoming part of even the bourgeois vision of the nation. Yet, closure of schools would be unabashedly termed “rationalisation” of the school system in official reports<sup>4</sup>. The 1990s and the beginning of the 21st century increasingly stand witness to this phenomenon. The neo-liberal agenda is operating as per its original design!

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4 This term (“rationalisation”) was first used in 1999 by the District Collector of Indore, M.P., in his report to the then Chief Minister Digvijay Singh to justify closure of 30 government schools in one stroke, followed by their conversion into mostly commercial ventures. In some of the schools, police stations were established. The collector did report data on the declining number of students in these schools but never inquired as to where did they go. They had actually left non-functioning government schools in disgust. Some of them, whose parents could afford, were admitted into low fee-charging schools which mushroomed in the same locality to fill the vacuum created by the closure of the government schools. The chief minister, known for conceiving education guarantee centres, too preferred not to ask such uncomfortable questions.

The public expectations from the government system posed another challenge to the global market forces. Arguably, a general unrest in the country might be expected if the above neo-liberal strategy of demolishing the government school system became too apparent. The World Bank-sponsored District Primary Education Programme (DPEP), therefore, took a cue from the 1986 policy's non-formal stream for the poor. It started promoting low quality parallel streams, rather than providing more of regular full-time schools. From 1993-94 onwards, the DPEP pushed and eulogised all kinds of parallel streams such as alternative schools, education guarantee centres, multi-grade teaching and bridge courses – anything but a regular school! The cadre of teachers was rapidly replaced by para-teachers i.e. under-qualified, untrained and under-paid young persons appointed on short-term contract. A new sociological principle emerged: a separate layer of educational 'facility' (not a school) as per the social and economic status of the child. A Common School System functioning through neighbourhood schools would have instead enabled children of different class, caste, religious and language backgrounds to study and socialise together. This would have helped promote equality and social justice and also an appreciation of India's rich diversity and composite culture. With their own children studying in the neighbourhood school, this would have also provided an objective basis for the more powerful and privileged sections of society to have a vested interest in the state-supported school system, thereby maintaining both its quality and political credibility. However, the emerging system in the 1990s, as promoted by the neo-liberal agenda, was designed to isolate and alienate children belonging to different sections of society. The Indian Constitution was in tatters.

The impact of neo-liberal agenda on the Indian education policies must not be underestimated. Education is no more viewed as a tool of social development but as an investment for developing human resource and global market (see Ambani-Birla Report's Foreword, GoI, 2000). This innocuous looking statement of the purpose of education implies a major paradigm shift. The dominant features of education having serious epistemic (knowledge-related) and associated implications that emerge out of this paradigm shift may be identified as follows:

- trivialisation of the goals of education e.g. confusing education with merely literacy (e.g. National Literacy Mission of 1990s) or skills (the XI Plan attempts to equate education with market skills);
- fragmentation of knowledge into marketable competencies, as was done in Minimum Levels of Learning (MLLs) during early 1990s;
- alienation of knowledge from its social ethos and material base, a phenomenon that has prevailed since independence but has been exacerbated several-fold in recent years by rapidly growing dependence on information technology in schools, particularly expensive private schools;
- increasingly dominant role of the global market forces in determination of the character of knowledge (e.g. computer companies designing syllabi, textbooks and learning softwares);
- institutionalisation of economic, technological and socio-cultural hegemony of the international instruments in the formulation of curriculum, as evident in the space being given to World Bank, UN agencies, corporate houses and their foundations, foreign universities and externally funded researches and projects in decision-making (e.g. Karnataka state govern-



ment's move in 2007 to build SIEMAT under the control of Wipro Ltd. which was forestalled due to public outcry);

- introduction of parallel and hierarchical educational streams for different social segments, as discussed above;
- marginalisation of poor children and youth as well as the backward regions through competitive screening and a discriminatory system of institutional assessment and accreditation (e.g. Pratham's assessment of reading, writing and computing skills of grade V children in ASER Reports of 2006 & 2007 or NAAC's standard criteria for categorising colleges/universities); and
- attrition of the State-supported and democratic structures for educational planning, finance allocation and management, as exemplified by the introduction of the idea of school vouchers in XI Plan, though none of the seven CABE committees had recommended it in 2005.

Admittedly, however, many of the features enumerated above were evident either in rudimentary or relatively more pronounced forms in the 'pre-globalisation' phase as well. This is exactly what one would expect in view of the colonial control before independence and hegemony of the ruling classes on the Indian State, with no significant democratic social intervention, in educational policy formulation since independence. What globalisation has done is the heightening and sharpening of these pre-existing contradictions.

All these dilutions and distortions were institutionalised in India's education policy during the 1990s through World Bank's DPEP in more than half of India's districts spread over 18 states. None of these policy measures were formally approved by the Parliament, though they were violating both the 1986 policy and Constitution's principles of equality and social justice. The much-hyped *Sarva Shiksha Abhiyan* packaged all such measures into one 'mega' scheme and sought legitimacy first through the Tenth Plan and now the Eleventh Plan. The Parliament was no more the supreme policy-making body. Directions were coming from the World Bank and such other agencies representing the global market.

## What is Common School System?

The Education Commission (1964-66) had recommended a Common School System of Public Education (CSS) as the basis of building up the national system of education with a view to "bring the different social classes and groups together and thus promote the emergence of an egalitarian and integrated society." The Commission warned that "instead of doing so, education itself is tending to increase social segregation and to perpetuate and widen class distinctions." It further noted that "this is bad not only for the children of the poor but also for the children of the rich and the privileged groups" since "by segregating their children, such privileged parents prevent them from sharing the life and experiences of the children of the poor and coming into contact with the realities of life. . . . also render the education of their own children anaemic and incomplete. (emphasis added)" The Commission contended that "if these evils are to be eliminated and the education system is to become a powerful instrument of national development in general, and social

and national integration in particular, we must move towards the goal of a common school system of public education.” If implemented, it could have changed the very face of school education in India. It was one of the most powerful recommendations of the Kothari Commission (1964-66). It received scant attention both at the level of policy and implementation. The result is before us: a majority of the schools are still in the same situation of deprivation and deficiency as they were 30 years ago. There has been expansion and upgradation in quality and efficiency, but only sporadic visibility could be claimed. The dropout rates remain alarming, non-enrolments are substantial and failures at the matriculation level remain pegged at around 50 percent. While everyone from policy planners to teachers are contributing to this failure, the blame is put squarely on the ‘child’. Books may be in short supply, teachers may not be available or may not be teaching due to other assignments, but the failure is the learner’s.<sup>5</sup>

The Commission also pointed out that such a system exists “in different forms and to varying degrees” in other nations like the USA, France and the Scandinavian countries. The British system, however, was based upon privileges and discrimination but, in recent decades, under rising democratic pressure, it has steadily moved towards a comprehensive school system which is akin to the Common School System as recommended by the Commission. There are other developed countries as well like Canada and Japan that practice similar systems. It may not be an exaggeration to assert that none of the wealthy G-8 countries have reached where they are without practicing the essential attributes of a public-funded Common School System functioning through neighbourhood schools. Can India hope to be an exception to this historical experience if it wishes to join the comity of developed nations?

The 1986 policy, while advocating a national system of education, resolved that “effective measures will be taken in the direction of the Common School System recommended in the 1968 policy.” Since then, the concept of Common School System (CSS) has itself been evolving. There are three widespread misconceptions about CSS, often promoted by its detractors, which we must deal with before going ahead. *First*, CSS is misperceived as a uniform school system. On the contrary, the Education Commission itself advocated that each institution should be “intimately involved with the local community. . . . be regarded as an individuality and given academic freedom.” This guiding principle has assumed even greater significance in recent times in view of the expectation from each school or a cluster of schools to be able to respond to the local contexts and reflect the rich multi-religious, multi-lingual and multi-ethnic diversity across the country. The present rigidity of the present school system, imposed by the Board Examinations (from CBSE/ICSE to State Boards), will be adequately challenged when flexibility, contextuality and plurality are accepted, among others, as the defining principles of CSS. *Second*, it is wrongly claimed that CSS will not permit a privately managed school to retain its non-government and unaided (or aided) character. Again, on the contrary, CSS implies that all schools – irrespective of the type of their management, sources of income or affiliating boards of examinations – will participate and fulfil their responsibility as part of the national system of education. *In no case, however, a school will be allowed to use education for profit making, increasing disparity or spreading disharmony.* The only expectation from the

5 By J.S Rajput, “The Hindu”, Tuesday, 24 June, 2003.

private schools shall be to function in consonance with the Constitutional, in general, and provide free elementary education of equitable quality to the 6-14 year age group, as required under Article 21A. *Third*, the private school lobby has worked overtime claiming that CSS would mean complete government control over schools. There is no reason whatsoever to assume that government grants necessarily lead to government control – the two need to be viewed independently of each other. In developed countries like USA and Canada, the school system is entirely funded by the state governments but it is entirely managed locally in a decentralised mode. In light of the 73rd and 74th Constitutional Amendments, decentralised management of schools with full accountability is now a statutory expectation. This, however, does not absolve the government from fulfilling its obligations towards financing, monitoring and making policies.

We must also note that 86th Constitutional Amendment (2002) enjoins upon the State to provide free and compulsory education at the elementary stage (class I-VIII) to all children as a Fundamental Right. This amendment in Part III of the Constitution has major implications for the national system of education which cannot continue to function as it has since independence. All schools in the country, including privately managed unaided (or aided) schools, are required to act as agencies of the State to fulfil the obligation flowing out of Article 21A regarding equality and social justice. We must note that the private unaided or aided schools have come up as a consequence of the failure of the State to provide quality education and, in this sense, they are fulfilling the function of the State. This is precisely why the private schools receive various kinds of support or subsidies (hidden or otherwise). This means that they have to act as genuine neighbourhood schools to provide free elementary education to all children residing in the neighbourhood as may be prescribed by the government from time to time. The central and state governments are hence required to take concrete time-bound measures, including policy modification, in order to meet the new constitutional obligation.

Based upon the evolving public discourse since the Education Commission's recommendation in 1966, the following principles have come to define the framework within which CSS is to be conceived:

- The system of school education is to be rooted in the vision of the Constitution. This implies that, while being consonant with the Preamble, it must also ensure that (a) the fundamental rights, especially those relating to equality and social justice, as enshrined in Part III are not violated and (b) the Directive Principles as ordained in Part IV are promoted.
- Education of equitable quality is a constitutional imperative.
- Education is not used for profiteering, spreading disharmony or practicing subjugation.
- Schools that promote inequality, discrimination and injustice in society are not to be allowed to function.

The following may, therefore, be listed as essential features of a CSS that is to be developed as the National System of Education pertaining to school education:

- coverage from pre-elementary to plus two stage;

- all schools, including private unaided schools, to provide *absolutely* free education from pre-primary to class VIII as per Article 21A and the amended Article 45 (read with Article 21) of the Constitution; for secondary and senior education, a rational fee structure to be ensured by the state/UT governments and/or local bodies in all category of schools;
- all schools, including private unaided schools, to become neighbourhood schools; neighbourhood to be specified for each school *with a view to optimise socio-cultural diversity among children in each school*; necessary legislation to cover all government, local body and private schools to be enacted;
- screening, interviews or parental interaction not allowed as a valid basis for admissions;
- common *minimum* norms and standards for infrastructure, equipment and teacher-related aspects for both state-funded and private unaided schools (recognised and unrecognised); these may relate to school land and buildings, number, size and design of classrooms, drinking water and toilets, mid-day meals, safety measures, barrier-free access and other requirements of various categories of disabilities, facilities for girls at the age of puberty, playground and sports, performing and fine arts facilities, teaching aids, library, laboratory, information technology, number of teachers and their qualifications/specialisations along with pre-service and in-service training, pupil:teacher ratio and other such requirements;
- common curriculum framework, shared features of curriculum and comparable syllabi with flexibility relating to texts, teaching aids, teaching-learning process, evaluation parameters, assessment procedures and school calendar;
- common language policy that takes into account the multi-lingual context of the majority of Indian children, pedagogic role of the mother tongue and its relationship with the state language, minority languages (Article 350A) and the increasing significance of English in providing equitable access to knowledge, careers and economic opportunities;
- decentralised school-based management that ensures the necessary degree of institutional autonomy while locating it within the broad framework of the 73rd and 74th Constitutional Amendments relating to rural and urban areas respectively; this requires the formation of school management committees, with the majority of members being parents of students and appropriate linkages with local bodies; and
- affiliation to a common board of examinations for all schools within a state/UT.

We may add that the principles underlying the concept of inclusive education are integral to the vision of Common School System. In the Indian context, inclusive education has to go beyond the Salamanca Declaration (UNESCO, 1994) and transcend the issue of disability. It must concern itself with all marginalised sections of society viz. dalits, tribals, religious and linguistic minorities, child labour and of course, the physically and mentally disabled and particularly the girls in each of these categories, whom the school system tends to exclude in substantial proportions. Unless this exclusionary character of Indian education is challenged, both theoretically and in practice, by application of the principles of inclusive education, neither the Common School System nor Universalisation of Elementary Education (UEE) can become a reality.

Further, the kind of paradigm shift National Curricular Framework–2005 (NCF–2005) is apparently advocating can become sustainable only when it is implemented in all categories of schools, including the private unaided schools, in the whole of the country within a declared timeframe through a properly phased programme. The essential linkage between *curricular* reforms and *systemic* reforms must be appreciated, before it is too late. Few realise that curricular reforms in a school system founded on inequality and discrimination will increase disparity in the quality of education. Such reforms, therefore, would be meaningful as well as feasible only within the framework of a Common School System.

The educational vision reflected in Common School System has become critical for the survival of India as a sovereign State and a civilised society since the global market forces are rapidly encroaching upon government school campuses and also impacting on the nature of knowledge inherent in the curriculum, with little concern for the constitutional principles or the welfare of the large majority of the people<sup>6</sup>. Transformation of the present multi-layered school system into a Common School System calls for a major dialogue-building nation-wide political exercise, keeping the federal structure of the country and concurrency of education in mind. To be sure, student bodies, teachers' organisations, trade unions and people's movements must lead this campaign and engage political parties to build up public pressure on the State.

The role of Common School System in forging a sense of common citizenship and nationhood is yet to be appreciated. This becomes a critical nation-building function in a geo-culturally diverse country like India. How can the present multi-layered school system fulfil this requirement? Today, the school system is *like a nation within nations* and this is a recipe for fragmentation, rather than solidarity. There is no alternative to the common and democratic space that is offered for socialisation by the Common School System based on neighbourhood schools. An educational activist from the north-eastern region has argued that the common school system is the only option that provides the necessary framework for resolving not just the complex multi-ethnic conflicts within and across each state in the north-east but also for reversing the rapidly growing alienation between the north-east and the rest of India. If this framework is adopted throughout the nation, India would be in a unique position to offer a meaningful policy alternative to its neighbours across the border. The common space available for socialisation among children from diverse backgrounds within India could also be made available (and should be acceptable) to the children from the neighbouring countries of the sub-continent.

Let us acknowledge that no developed or developing country has ever achieved UEE or, for that matter, universal secondary education, without a powerful state-funded and state-regulated well-functioning Common School System, founded on the principle of neighbourhood schools, in

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<sup>6</sup> There is ample evidence that the capitalist lobby, working through chambers of commerce (e.g. CII, FICCI and ASSO-CHAM), is building pressure on MHRD for major changes in the school system so that corporations and other private bodies can turn education into a commodity and use it for profit. Powerful global market forces have either supported or put up their own NGOs to successfully introduce the alarming idea of voucher system in the Eleventh Plan with the objective of shifting public funds to private schools. At a recent CII meeting, even Prof. Amartya Sen was constrained to advise the corporate CEOs that there is no way of universalising school education without a public-funded school system.

one form or another. India is unlikely to be an exception to this historical and global experience, notwithstanding the misconceived ambition of the Indian State to become a 'superpower' by 2020!

## **New Assaults on Right to Education**

During the past 2-3 years, the neo-liberal forces have come up with new forms of assaults on the notion of right to education and Common School System. It is critical that we learn to identify and deconstruct these assaults. Here are three examples that should enable us to identify all such moves that will emerge in future:

A new diversionary tactic was conceived and effectively used to create confusion in the debate during and following the drafting of the Right to Education Bill, 2005 by the CAGE Committee (Chaired by Kapil Sibal, then Minister of State for Science & Technology, Govt. of India). This was about the proposed provision of 25 percent reservation for weaker sections in private unaided schools drawn from the latter's neighbourhood. The entire debate was diverted away from the issue of the Common School System to the problems that the private school lobby is likely to face in finding resources for such reservations and the cultural gap between those who pay fees (presumably from upper castes) and those who would get the same education due to their entitlement (presumably from lower castes). Hardly anyone was bothered that the notion of 25 percent reservation implied that 75 percent of the children paying fees shall not come from the neighbourhood. Does this amount to a move towards equality or charity? Would the charging of fees from the privileged children in the 6-14 year age group not amount to violation of Article 21A? An issue of even greater significance is about the number of children this provision is likely to 'benefit'. Let us make an estimate. The enrolment at the elementary stage in the private unaided schools (including the low quality unrecognised ones) in the whole country is hardly 20 percent of the total enrolment at this stage (Seventh All India School Educational Survey, NCERT, 2003). This means that the total capacity of the private unaided school sector to provide elementary education is limited to a maximum of four crore (40 millions) children out of 20 crore (200 millions) children in the 6-14 year age group. If 25 percent of this capacity of the private school sector is reserved for the weaker sections, the number of the so-called 'beneficiaries' can in no case exceed one crore children. What about the right to education of the remaining 19 crores (190 millions) (including those three crores (30 millions) who are required to pay fees in private schools)? Clearly, the proposal of 25 percent reservation in private schools has nothing to do with either the issue of right to education or common school system. Nor does it lead us to a programme of systemic transformation that is urgently required in order to fulfil the obligations flowing out of 86th Amendment. Yet, the political leadership concerned with policy formulation and the bureaucracy as well as the media, child right organisations and even the judiciary has gone overboard in promoting the idea of '25 percent issue' as if the right to education is realisable only through this mechanism. This apparently myopic perception is a result of the ruling class knowing that (a) the proposal of 25 percent reservation will not necessitate any changes in the national economy that may go against its vested interests; and (b) this will only help legitimise the ongoing privatisation and commodification of education.

The XI Plan has made a cleverly phrased reference to the voucher system for government school children without any evidence of prior democratic consultation or academic discourse<sup>7</sup>. What is voucher system? The idea was first proposed by Milton Friedman, the well-known advocate of neo-liberal economics from USA. As per its promoters in India (the so-called civil society groups propped up by international agencies advocating neo-liberalism), the government will provide the under-privileged children school vouchers that promise to pay their fees in private schools contingent upon the children getting admission. However, the promoters are not telling the public that the system has either already collapsed in several countries or not made much headway. The hidden agenda of course is to provide backdoor funding to private schools by shifting resources from the government schools using the instrumentality of the voucher. The market lobby knows that this will be an effective means of demolishing the vast government school system and thus accelerating the pace of privatisation and commercialisation of school education. With the destruction of the system of publicly funded schools, there shall be ‘free for all’ situation wherein, not just the fee structure, but the curriculum and pedagogy too will be guided by the market alone. This is precisely what the voucher system lobby is aiming at – i.e. taking school education out of the constitutional domain!

As explained above, the neo-liberal forces have operated a policy design during the past 15 years aimed at demolishing the government school system. After already having achieved considerable success in these objectives, these forces are now organising so-called researches and studies on the school system in India through partnership with NGOs and individual academics. All these studies are designed to produce data to establish how ineffective is the government school system in terms of poor pupil-teacher ratio, teacher absenteeism, poor quality of teaching and low achievement levels (e.g. World Bank-sponsored studies in Shahadara locality of Delhi or Pratham’s all-India ASER Reports, 2006 and 2007). However, no such report throws any light on how these schools have reached this state of ineffectiveness and what needs to be done in order to reverse the process. Nor do these reports tell us about the role played by the ruling class in collusion with the market forces in destroying a school system that was functioning fairly well only 20-25 years ago. Obviously, the compulsion to destroy the credibility of the government schools is so overpowering for the market forces that it does not have any space for truth whatsoever.

### **The Epistemic Assault and the Emerging People’s Resistance**

The Ambani-Birla Report (2000), submitted to the prime minister’s office, was yet another example of how the market forces began to erode India’s sovereignty and the democratic process of the Parliament. It introduced several new formulations in the policy discourse in India to convert education at all levels into a marketable commodity. Once this is accepted in principle, a paradigm shift follows by implication. Although the Ambani-Birla Report was never approved by the

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<sup>7</sup> The reference to voucher system in Planning Commission’s Draft Approach Paper made in May 2006 amounted to essentially a green signal for the idea. However, there was a widespread criticism from various quarters. As a result, the reference in the final paper (December 2006) was carefully made ambiguous but it was there to be pushed at the right moment. The XI Plan (2007) again poses voucher system as an alternative but due to public resistance does not dare to openly advocate this idea at the moment.

Parliament, most of its recommendations are now being implemented in rapid succession under disguise.

It is time that the paradigm shift in the framework that determines the character of knowledge is recognised. The epistemic (i.e. knowledge-related) implications that flow out of this paradigm shift dominate the policy discourse and decision-making at all levels – legislature, executive and the judiciary. The global market forces, supported by the India Inc., have discovered new avenues, spaces and ways and means in this market-oriented anti-people framework to powerfully intervene and to further dilute and distort policies. The Indian academia and activists, by and large, stand essentially co-opted in this process, with honourable exceptions of course.

The goals of the market-oriented education policy are in direct conflict with the social vision of the Constitution. The assault by the market forces on the character of knowledge is rapidly marginalising the educational goal of preparing citizenry for a democratic, egalitarian, secular and enlightened society. The Eleventh Plan's approach paper on secondary education, in the context of extending it to the under-privileged sections of society, states that the focus of secondary education shall be to prepare skilled workforce for the global market. In contrast, the privileged will be given access to high value-added forms of knowledge on a priority basis through a handful of elite institutions and thus enabled to shift to the advanced countries and serve the global "knowledge economy". The recent announcement by the Prime Minister to set up new high profile central universities, IITs and IIMs, multiply Kendriya Vidyalayas and open 6,000 new high quality schools need to be seen in this framework. It is expected that these universities and colleges will be set up over the next five years. The entire exercise of establishing these institutions is likely to cost nearly Rs 15,000 crore. Back of the envelope calculations show that initial costs of establishing a central university would be at Rs 400 crore—a full-fledged central university will cost Rs 1,000 crore over two five year plan periods—and a degree college would cost Rs 25 crore, but<sup>8</sup> nowhere in these lofty announcements there is even an iota of evidence of political commitment to ensure fundamental right to education of equitable quality for all children or to transform the system comprising almost 11 lakh (1.1 million) schools into a Common School System. Also, the twist given by the government to the reservation debate of 2006-07 resulted in shifting the resources from elementary education to the elite professional institutions in order to increase the total availability of seats in favour of the privileged upper castes. Establishing 'knowledge hubs' in the style of special economic zones, providing secondary or vocational education in public-private partnership mode and promoting franchise of second or third-rate foreign universities<sup>9</sup> are the latest policy 'miracles' being pushed by the government in the XI Plan. Such new moves point towards the growing collusion between the ruling class and the global market forces for establishing the dominance of their joint agenda against both the masses and national interests.

<sup>8</sup> *Economic times* [indiatimes.com/articleshow/](http://indiatimes.com/articleshow/)

<sup>9</sup> The global leaders of knowledge that emerged in the wake of industrial revolution such as MIT, Harvard, Princeton, CalTech or the likes of Cambridge and Oxford Universities are not being franchised. Indeed, the quality, depth and creativity of such knowledge leaders do not lend themselves to this crass commodification!



Clearly, the market assault is not merely in terms of denying education of equitable quality to the masses but also in terms of the social and pedagogical character of knowledge itself. This is to be viewed as an *epistemological* assault on the generation, distribution and transaction of knowledge. The question of political economy of knowledge can't be ignored much longer. We need to recreate new Takshilas and Nalandas where the vision of 21st century India will have to be debated afresh and reconstructed in the image of our 150-year long freedom struggle against inequality, injustice and imperialism. The challenge is now being increasingly deciphered by the people's movements. Education is certain to be accepted as the fourth critical resource, apart from *jal-jangal-jameen* (water-forest-land), for the survival of the struggling masses<sup>10</sup>[9]. Herein lies the emerging agenda for the people's movements to recover and redefine India's democracy and sovereignty!

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<sup>10</sup>At a meeting of five tribal and peasant organisations held at Harda, M.P. on 5-6 January, 2008, the grassroots tribal activists stated that "we don't want this kind of education as it teaches our children to become *dalals* (intermediaries) of contractors and government, thereby alienating them from our struggle for Right to *jal-jangal-jameen*." This perception led them to coin a new slogan: "*Shikasha Badlo, Skool Bachao!*" (Transform education, save schools) which implies that the struggle for transforming the political character of knowledge in school curriculum and pedagogy has to be concomitant with the struggle for improvement of school infrastructure, teacher quality, pupil-teacher ratio, financing, management and other parameters of education of equitable quality.

# Education *for All* or Education *Far Away* from All?

*Pooja Parvati\**

In our attempt to understand the priority given to education, a critical sector affecting human development in more ways than one, by the Union Government, the People's Budget Initiative (PBI) has been reporting the status of relevant budgetary and policy trends in education. This year too, as a run up to the union budget 2009-10, this note looks at the various sectors within education, highlights the overall relevant budgetary and policy aspects and presents a critique of how the Government has fared on account of the promises made last year. Some suggestions for the education sector focusing on the union budget 2009-10 have also been made. The union budget 2009-10 could be critical in terms of treatment of key governance agenda depending on which grouping is in power after the General Elections. Already, we are well into the Eleventh Plan period and the direction taken by the political leadership in this regard is decisive in setting the course for the next few years.

While we are all well aware of the various policy commitments made in the field of education, it would be useful at this juncture to state the Education For All goals. 'Education for All' was the motto adopted by the World Education Forum held in Dakar, Senegal in April 2000 and the six goals flagged by this Forum, to be attained by 2015, briefly summed up, are as follows:

## **Expand early childhood care and education**

- Provide free and compulsory primary education for all.
- Promote learning and life skills for young people and adults.
- Increase adult literacy by 50 percent.
- Achieve gender parity by 2005, gender equality by 2015.
- Improve the quality of education.

If we choose not to interpret the Dakar Goals in a narrow and conventional manner, these may be used as echoing the philosophy that was envisioned by the Delors Report, submitted to UNESCO in 1995, which found 'learning throughout life' as the key to a better future. This report put forward a four-pronged approach to lifelong learning, which includes: schools, vocational training,

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universities and adult education, and each one of these ought to be accorded equal importance in any society — *schools* cover pre-school/kindergarten to elementary and secondary levels for all children; *vocational training* broadly includes pre-qualification to in-service training; *universities* may be taken as a shorthand for the entire tertiary sector (from the college level to other forms of higher, including technical education); finally, *adult education* should take into account the diverse learning needs of the younger adults to the elderly (including the adult literacy programmes). In this context, the present note will examine the inter-sectoral trends in financing education in the country. Before that, a brief review of the overall budgetary trends in education would be useful.

## I. Trends in Government Financing of Education in India

Table 1 profiles the current public spending levels by select countries and it is clear that India lags behind not only the developed countries but also developing countries like Kenya, Costa Rica, Republic of Korea and Brazil.

**Table 1: Public Expenditure on Education in Select Countries as percent of GDP**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006
Cuba	6.7	7.5	7.2	9.0	8.9	9.2	9.6	9.8	9.1
Kenya		5.3	5.2	5.2	6.2	6.6	6.9	7.3	6.9
Malaysia		5.7	6.2	7.9	8.1	8.0	6.2		
France	5.8	5.8	5.7	5.6	5.6	5.9	5.8	5.7	
U.S.A.	5.0	5.1		5.7	5.7	5.9	5.6	5.3	
South Africa		6.0	5.6	5.3	5.2	5.1	5.3	5.3	5.4
Netherlands	4.7	4.6		4.8	4.9	5.1	5.2	5.3	
Costa Rica	4.9	4.9	4.4	4.7	5.1	5.1	4.9		4.7
Korea, Rep.	3.7	3.8		4.3	4.2	4.6	4.6		
Brazil	4.9	3.9	4.0	3.9	3.8		4.0		
Argentina	4.0	4.5	4.6	4.8	4.0	3.5	3.8		
<b>India</b>	<b>3.6</b>	<b>4.5</b>	<b>4.4</b>			<b>3.7</b>	<b>3.8</b>	<b>3.2</b>	
Japan	3.5	3.6	3.7	3.6	3.6	3.7	3.7	3.5	
Philippines	4.2		3.5	3.2	3.2	3.2	2.7	2.5	
Bangladesh		2.4	2.4	2.5	2.3	2.4	2.2	2.7	
Nepal		2.9	3.0	3.7	3.4	3.4			

**Source:** World Bank Education Statistics, various years

As in other areas of economic and social development, the progress on the educational front is also characterised by tremendous heterogeneity at the sub-national levels, i.e., there are significant inter-state as well as intra-state differences. As per the Constitution of India, public provisioning of education has primarily been a responsibility of state governments, although the Central Government does play an important role as education is on the ‘concurrent list’. A look at the education expenditure in India presents dismal trends (Table 2) with an overall decline in public spending.

**Table 2: Public Expenditure on Education as a Proportion of GDP in India**

Items	1981-82	1985-86	1990-91	1995-96	1999-2000	2001-02	2003-04	2004-05 (RE)	2005-06 (BE)
Total Education	2.49	3.00	3.59	3.60	4.22	4.18	2.64	2.74	2.69
Elementary	1.09	1.39	1.58	1.44	1.58	1.66	1.31	1.40	1.42
Secondary	0.81	0.92	1.10	0.98	0.94	0.98	0.84	0.82	0.77
Higher	0.38	0.42	0.36	0.37	0.47	0.43	0.32	0.31	0.29
Adult	-	-	-	-	-	-	0.0118	0.0118	0.0114

Source: MHRD – Analysis of Budgeted Expenditure on Education, various years.

Expenditure on education in India is undertaken both by the Central Government and the state governments. At both these levels, the major share of such spending is undertaken by the respective education departments. However, at both these levels, other departments too incur expenditures on education in sizable amounts. This aspect has been captured by the data presented in Table 3. As is evident, 'Other Departments' at the Centre undertake significant amount of spending on education, whereas, in case of the states, the spending on education by 'Other Departments' is at lower levels. Table 4 outlines the government spending per student at the elementary, secondary and higher stages over a ten-year period (1993-2003) and the data shows that spending (in real prices) has shown a decline at the higher education level while the increase at the secondary level is miniscule.

**Table 3: Centre and all States: Budget Expenditure on Education by Education Department and Other Departments**

Year		Education Department (in Rs. Crore)	Other Departments (in Rs. Crore)	Total (in Rs. Crore)	Total Expenditure on Education as % to Total Budget of all Sectors
1995-96	Centre	3317.53	2233.49	5551.02	3.05
	States	28789.66	4428.01	33217.67	19.15
	Centre + States	32107.19	6661.5	38768.69	10.9
1996-97	Centre	3672.61	2642.22	6314.83	3.1
	States	33018.69	4882.62	37901.31	18.52
	Centre + States	36691.3	7524.84	44216.14	-
1997-98	Centre	4623.15	2498.86	7122.01	2.99
	States	36888.96	4943.96	41832.92	18.8
	Centre + States	41512.11	7442.82	48954.93	10.63
1998-99	Centre	6324.3	3352.22	9676.52	3.46
	States	45341.55	7001.43	52342.98	19.45
	Centre + States	51665.85	10353.65	62019.5	11.31

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2000-01	Centre	7925.36	2270.7	10196.06	3.13
	States	54965.41	17717.69	72683.1	20.73
	Centre + States	62890.77	19988.39	82879.16	12.25
2001-02	Centre	8053.2	6082.54	14135.74	3.9
	States	57434.77	8935.46	66370.23	17.41
	Centre + States	65487.97	15018	80505.97	10.83
2002-03	Centre	9089.23	7067.38	16156.61	3.9
	States	59854.37	9878.41	69732.78	16.42
	Centre + States	68943.6	16945.79	85889.39	10.24
2003-04	Centre	10177.47	6923.5	17100.97	3.63
	States	63519.84	9110.82	72630.66	16.9
	Centre + States	73697.31	16034.32	89731.63	11.76
2004-05	Centre	13111.23	4914.73	18025.96	3.62
	States	68850.29	10498.52	79348.81	17.1
	Centre + States	81961.52	15413.25	97374.77	11.81
2005-06 RE	Centre	18336.34	5981.66	24318.0	4.78
	States	80504.19	13046.62	93550.81	16.67
	Centre + States	98840.53	19028.28	117868.81	12.09
2006-07 BE	Centre	24115.0	7058.36	31173.36	5.53
	States	89298.75	13802.28	103101.03	16.6
	Centre + States	113413.75	20860.64	134274.39	12.48

**Source:** Compiled from "Analysis of Budgeted Expenditure on Education", Ministry of HRD, Govt. of India - various issues; Indian Public Finance Statistics, 2006-07, Ministry of Finance, June 2007

**Table 4: Total Expenditure on Education as % to Total Budget of all Sectors – Centre, all States, and Total**

Year	Centre	All States and UTs	Centre and all States/UTs
1995-96	3.05	19.15	10.9
1997-98	2.99	18.8	10.63
2000-01	3.13	20.73	12.25
2002-03	3.90	16.42	10.24
2003-04	3.63	16.89	11.76
2004-05	3.62	17.1	11.81
2005-06 RE	4.78	16.67	12.09
2006-07 BE	5.53	16.6	12.48

**Source:** Compiled from "Analysis of Budgeted Expenditure on Education", Ministry of Human Resource Development, GoI, various years

**Note:** The figures for all years, except 2005-06 and 2006-07, are Actuals.

**Table 5: Public Expenditure Per Student – in Current Prices and Constant (1993-94) Prices (In Rs.)**

Year	ELEMENTARY		SECONDARY		HIGHER	
	Current Prices	Constant (1993-94) Prices	Current Prices	Constant (1993-94) Prices	Current Prices	Constant (1993-94) Prices
1993-94	825	825	3748	3748	8961	8961
1994-95	893	793	4040	3588	9821	8722
1995-96	1052	865	4517	3715	9384	7717
1996-97	1220	959	4890	3844	8438	6634
1997-98	1361	1025	5221	3932	9003	6779
1998-99	1654	1175	6285	4467	10238	7276
1999-00	1792	1233	7392	5087	13219	9097
2000-01	1900	1220	7153	4594	13956	8963
2001-02	2047	1269	6699	4153	12099	7501
2002-03	1977	1185	6641	3982	12294	7370
2003-04®	2162	1229	6852	3896	12518	7117

Source: Report of the Working Group on Higher Education, 11<sup>th</sup> Five Year Plan

While many of the social sector activities, like provisioning of education and healthcare facilities, etc, in India, are primarily the responsibility of the state governments, the Central Government has an important role to play. However, given the overall fiscal architecture in the country, the states are largely dependent on the flow of funds from the Centre for taking new initiatives in these areas as well as for implementing the ongoing programmes. In such a scenario, the decline in devolution of funds from the Centre to the states means that social sector expenditure by the states may get undermined and the overall public expenditure may get constrained (Table 4). As is well-known, during the period of economic reforms since the early 1990s, Indian economy has been subjected to contractionary macroeconomic policies, and as usually happens in a context of ‘structural adjustment’ scenario, public investment in general and social sector expenditure in particular got hit adversely. Furthermore, with the Fiscal Responsibility and Budget Management (FRBM) Act in place, there is little scope for the much needed reversal of the contractionary policies.

Table 6 estimates the total outlays on education by the Central Government for the last four years. While there has been substantial increase in allocation at the elementary level, at the higher stage, the increase is only marginal. Another significant aspect is the almost absent capital outlays by the Ministry. Table 7 presents the total outlays on education, sports, art & culture by the Central Government. Looking at the total spending on education, sports, arts and culture from the budgets of all states and UTs, (Table 8) between 1990-91 to 2007-08 BE, the trend reveals that revenue expenditure has gone down and capital outlay has increased, but only marginally.

**Table 6: Total Outlay on Education by the Central Government Ministry of Human Resource Development (in Rupees crore)**

Ministry/Dept	Actuals 2005-06			Actuals 2006-07			Revised 2007-08			Budget 2008-09		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
School Education & Literacy												
Total	11979.5	4.5	11984.1	16892.9	4.5	16897.5	22191.0	1000.3	23191.3	26800.0	1050.0	27850.0
Revenue	11979.5	4.5	11984.1	16892.9	4.5	16892.9	22191.0	1000.3	23191.3	26800.0	1050.0	27850.0
Capital	-	-	-	-	-	-	-	-	-	-	-	-
Higher Education												
Total	2558.6	3266.7	5825.4	3423.7	3488.3	6912.0	3261.3	3136.0	6397.3	7593.5	3259.3	10852.8
Revenue	2558.6	3266.7	5825.4	3423.7	3488.3	6912.0	3261.3	3136.0	6397.3	7593.5	3259.3	10852.8
Capital	-	-	-	-	-	-	-	-	0.01	-	-	-

Source: Expenditure Budget, Volume I, union budget Documents 2007-08 & 2008-09, Government of India

**Table 7: Total Outlay on Education, Sports, Art & Culture by the Central Government (in Rupees crore)**

	Major Head	Actuals 2005-06	Actuals 2006-07	Revised 2007-08	Budget 2008-09
<b>Revenue Expenditure</b>					
General Education	2202	13882.82	19891.41	21844.88	27908.96
Technical Education	2203	1508.49	1729.05	1989.34	4160.24
Sports and Youth Services	2204	396.57	448.08	625.66	764.69
Art and Culture	2205	632.67	685.70	834.83	902.59
<b>Capital Outlay</b>					
Education, Sports, Art and Culture	4202	28.48	17.40	37.65	53.85
<b>Loans &amp; Advances</b>					
Education, Sports, Art and Culture	6202	-	-	95.21	132.74

Source: Annual Financial Statements, Statements 2 & 4, union budget 2007-08 & 2008-09, Government of India

**Table 8: Total Outlay on Education, Sports, Art & Culture from the Budgets of all States & UTs (1990-91 to 2007-08 BE)**

Item	1990-91	1995-96	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07 (RE)	2007-08 (BE)
Share of Education, Sports, Art & Culture as proportion of Revenue Expenditure	44.20	44.25	46.77	45.51	45.51	43.73	42.14	39.00	39.00	37.9
Share of Education, Sports, Art and Culture as proportion of Capital Outlay	0.81	0.69	0.35	0.47	0.42	0.51	0.65	0.90	1.10	1.1

Share of Education, Sports, Art and Culture as proportion of Loans & Advances by State	0	0.0321	0.0002	0.0023	0.0248	0.0327	0.0760	0.9000	-	0
Total Expenditure on Education as a share of Total Social Sector Spending	45.01	44.97	47.11	45.97	45.95	44.27	42.87	40.80	40.10	39.00

Source: Budget Documents of State Governments, State Finances: A Study of Budgets  
<http://www.rbi.org.in/scripts/PublicationsView.aspx?id=10015>

## II. Prioritisation of Education Budget Across Different Sectors

### Pre-school Education

With respect to pre-school care and education, it is commonly perceived that the family is best placed to look after the children. While parents can take the best care of children, it does not obviate the need for social intervention, owing to factors that affect parents and in turn, come in the way of adequate care of the child, such as poverty and powerlessness a phenomenon that can be checked with (as pointed out by the Report titled *Focus on Children Under Six*, 2006) long-term social interventions such as land reforms, employment programmes and income redistribution), easy access to public facilities, limited knowledge of childcare and nutrition and social norms. For all these, and several other reasons, child care must be viewed as a social responsibility, in terms of enabling parents to take better care of their children with regard to the provisioning for health, nutrition, pre-school education, related services and the larger societal context conducive to overall nurturing of children. As an African proverb, translated in English, puts it succinctly: 'It takes a village to raise a child'.

The 2001 Census estimates this demographic group to be 16 percent of the total population. Recognising the importance of giving special attention to three sub-groups within 0-6 years, the Government in the 10<sup>th</sup> Five Year Plan document had mentioned its intent to focus spending on the three sub-groups therein, viz. infants, toddlers, and pre-schoolers. It is, of course, a shocking commentary of the Government's focus that in the 11<sup>th</sup> Plan document, pre-school education finds no mention when overall trends in education are examined. With the Right to Education Bill also having 'left out' children below the age of 6 years from the purview of such a legislation, this can only be seen as a callous neglect of this critical sector. Further, it is also well established that enrolment rates are determined by the emphasis given to pre-school component of education. It also becomes clear that adequate allocations have been missing as revealed by budgetary commitments. ICDS being the only major programme catering specifically to this age, (of the basic services offered under ICDS, pre-school education is one of the three, the other two being nutrition and health-related), it has been allocated Rs. 5,665 crore in 2008-09 (BE) which works out to much less than a rupee per child per day. Another area severely hit by inadequate provisioning is the Supplementary Nutrition Programme (SNP) under ICDS with wide inter-state differences: for instance, the Government of Bihar was spending about Rs.0.15 per child per day while the corresponding figure for Tamil Nadu was Rs.1.20 for children below six years (as reported by the FOCUS field survey on ICDS in 2004 in select states).



As regards to public provisioning for pre-school education under ICDS, the FOCUS survey shows that demand for it is proportionate to awareness and education levels of parents. Further, it also notes that development needs of children are not properly understood by communities, thus, making it difficult to appreciate the importance of pre-school education. Social barriers (of caste, gender and physical disabilities) and special needs (of children of migrant families and women employed in the informal sector) also compound the problem of assessing progress made by schemes such as ICDS as discrimination and inequity continue to be critical issues in many parts of the country. Several field reports have expressed deep concern about the functioning of pre-school education in many *anganwadis*. Physical constraints of space and other basic facilities, combined with lack of trained *anganwadi* workers, lead to low quality results.

### Elementary Education

Focusing at the elementary stage, it is interesting to note that in spite of attaining universal primary education long ago, developed countries, almost without exception, continue to put in substantial resources, to sustain quality education at this level. In an attempt to make a quick comparison, in terms of US dollars, adjusting for purchasing power parity (2000 estimates), while countries like U.S.A spent as much as 679.54 dollars per capita, Netherlands and Japan were comparable and in the range of 360-380 dollars. While South Africa spent 311.6 dollars, the comparable estimate for India was a mere 43 dollars. Low estimates of public spending by China at about 26.5 dollars could be explained by the difference in methodology adopted.

Most accounts seem to suggest that in several developing countries, including India, considerations of quality of education at all levels, including the elementary stage, which has been at the centre stage in the recent official discourses, continue to create a huge sense of discomfort. Meeting basic learning needs of children is obviously the foundation of all educational endeavours, but merely expanding the number of schools and getting children into them would translate to nothing if the standard/quality of education were not satisfactory. Tables 9 (a) & 9 (b) give a snapshot of the elementary sector in the country. While several factors are likely to influence quality of education, key aspects include provisioning of resources, curriculum, learning material, pedagogic processes, etc.

**Table 9 (a): Progress in Elementary Education since 1999**

Indicators	1999-2000	2004-05
Primary Schools	642000	767520
Upper Primary Schools	198000	274731
Teachers in Primary	1919000	2310800
Teacher in Upper Primary	1298000	1439146
Enrolment in Primary	11.36 crore	13.16 crore
Enrolment in Upper Primary	4.2 crore	5.16 crore
Public Expenditure on Education (% of GDP)	3.77%	3.74% (2003-04)

Source: Selected Education Statistics, MHRD

**Table 9 (b): Growth of Educational Institutions since 1999**

Year	Primary	Upper Primary	Pry vs U. Pry School
1999-2000	641695	198004	3.2
2000-2001	638738	206269	3.1
2001-2002	664041	219626	3.0
2002-2003	651382	245274	2.7
2003-2004	710471	262649	2.7
2004-2005	767520	274731	2.8
Annual Rate of Growth since 1997-98	2.7%	6.9%	

**Source:** Selected Education Statistics, MHRD

Further, a variety of undesirable features are gaining ground and among these, growing informalisation of elementary education service delivery should be considered a major cause of concern. In an effort to cut down costs, concerns of quality have been given a short shrift with even the formal institutions getting informalised in a variety of ways. One of the most obvious manifestations of this growing malaise is the adoption of the para teacher schemes almost all over the country<sup>1</sup>. Such schemes rely for education delivery on contract teachers whose recruitment procedures, remuneration, service conditions, etc, are entirely different from regular teachers.

Educational outcomes depend (among other factors) on the number of teachers and their qualifications, prevailing pedagogy, availability of Teaching and Learning Materials (TLM) in schools such as textbooks and blackboards and the use made by teachers of these facilities in actual classroom activities. Available evidence suggests that on several of these counts, ground reality in India is deeply unsatisfactory. For instance, as already noted in the foregoing section, there are states in India where pupil-teacher ratio is almost abysmal. Additionally, given the large presence of single and two-teacher schools, there is multi-grade teaching, a fact that detracts from the quality of teaching even further.

Given the inadequate support to government schools, it is hardly surprising that the number of private-run schools have been gradually on the rise (Table 10). As is well known, out of pocket expenditure on education has been rising at a very significant pace in the recent times, as per the last few rounds of the NSS data. This is interpreted as a 'voluntary' move out of Government schools which, in turn, may become an *alibi* for further inadequate policy attention to such schools. As per the Working Class Income & Expenditure Survey 1999-2000, expenditure on education of children has increased the most for working class families. This is clear when we observe that an average working class family was spending around Rs. 25 per month on education of their children in 1981-82 which rose by around 1150 percent or by almost 12.5 times to Rs. 306 per month in 1999-2000.

<sup>1</sup> For details, refer to Jha, Praveen, Subrat Das, Siba Sankar Mohanty, Nandan K. Jha, *Public Provisioning for Elementary Education in India*, Sage Publications, 2008

Tables 11 to 15 highlight the level of inequity, exclusion focusing on indicators such as gender, dropout rates, pupil teacher ratio and other aspects of physical infrastructure.

**Table 10: Growth of Private Schools Providing Elementary Education**

Year	Government	Private	Total	Private Schools as % total
1903	107196	38678	145874	26.5
1973	495758	53392	549150	9.7
1979	534260	45780	580040	7.9
1986	705560	113404	818964	13.8
2002	755792	140594	896386	15.7
2003	794265	125842	920107	13.7
2005	880545	157268	1037813	15.2
2006	929345	189521	1124033	16.8
2007	967263	225691	1196663	18.8

**Note:** Government includes both Government and local bodies

Private includes private aided, private unaided and private unaided unrecognised. It is possible that the number of private schools reported here is an underestimate, what with almost every town in the country having set up many 'education shops' in the name of schools!

**Source:** 1903 figure taken from "Statistical Abstract Relating to British India 1903-1912, Digital South Asia Library; 1973 figure taken from Third All India Education Survey; 1979 figure taken from Fourth All India Education Survey; 1986 figure taken from Fifth All India Education Survey; 2002 figure taken from Seventh All India Education Survey; 2003, 2005, 2006 and 2007 figures taken from Elementary Education in India: An Analytical Report.

**Table 11: Enrolment of Girls per Hundred Boys at Different Levels of Education**

Year	Primary (I-V)	Upper Primary (VI-VIII)	Secondary (IX-X)
1950-51	39	18	16
1960-61	48	32	23
1970-71	60	41	35
1980-81	63	49	44
1990-91	71	58	50
2000-01	78	69	63
2001-02	79	72	65
2002-03	88	78	70
2003-04	88	79	70
2004-05	88	80	71

**Source:** Selected Educational Statistics 2004-05

**Table 12: Drop-out Rates at Primary and Upper Primary Levels (1999-2005)**

Stage	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Class I-V</b>						
Boys	38.7	39.7	38.4	35.9	33.7	31.37
Girls	42.3	41.9	39.9	33.7	28.6	24.82
Total	40.3	40.7	39.0	34.9	31.5	28.49
<b>Class I-VIII</b>						
Boys	52.0	50.3	52.9	52.3	51.8	50.10
Girls	58.0	57.7	56.9	53.4	52.9	50.76
Total	54.5	53.7	54.6	52.8	52.3	50.39

Source: Selected Education Statistics, MHRD

**Table 13: Drop-out Rates among Social Groups - SCs & STs (2001-04)**

Class I – V				Class I – VIII		
SCs/STs	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04
Boys	43.73	41.13	36.83	58.61	58.24	57.33
Girls	47.05	41.91	36.19	63.63	62.19	62.19
Total (SCs)	45.18	41.47	36.5	71.14	59.91	59.42
Boys	51.04	50.82	49.13	67.28	66.86	69.04
Girls	54.07	52.1	48.67	72.69	71.17	71.43
Total (STs)	52.34	51.37	48.93	69.52	68.67	70.05

Source: DISE, Selected Education Statistics

**Table 14: Some Indicators of 'Worse Off' Districts in India in terms of Elementary Education**

Indicators	Number of States	Number of districts
Student: Classroom Ratio (Primary) More than 60:1 (Appropriate: Less than 40:1)	3	116
Pupil: Teacher Ratio (Primary) More than 60:1 (Appropriate: Less than 40:1)	3	119
Primary to U.P. School Ratio more than 4:1 (At least 2:1 or lower)	1	96
Gender Gap (U. Primary) more than 15 %age points	3	160
%age out of school children (6-14) more than 15%	2	50
Dropout rates (Primary Stage) more than 15%	8	194

Source: DISE 2004-05

**Table 15: Key Indicators Highlighting Access and Inclusion in Elementary Education in India (2004-07)**

Key Indicators	2006-07
% Schools without <i>Pucca</i> Building	29.37
Average No. of Classrooms	4.1
% Schools without Drinking Water Facility	15.11
% Schools with Common Toilets	58.13
% Schools without Girl's Toilets	57.42
% Schools without Boundary Wall	50.74
% Schools without Computers	86.57
% Schools without Ramp	73.39
% Schools without Kitchen Sheds	70.64
Average Student-Classroom Ratio (SCR)	36
% Schools with SCR > 60	16.45
% Single-teacher Schools	11.76
% Schools with PTR > 60	15.94
% Schools with PTR > 100	4.94

Source: DISE 2006-07: Flash Statistics

Table 16 outlines the Central Government spending on the two flagship schemes focusing on elementary education since 2003-04. In case of **Sarva Shiksha Abhiyan (SSA)**, the union budget outlay had been gradually stepped up from Rs. 4,754 crore in 2004-05 (RE) to Rs. 12,020 crore in 2007-08 (RE), but it has been reduced to Rs. 11,940 crore in 2008-09 (BE). This is because of the change in SSA's pattern of fund sharing between Centre and states for the 11<sup>th</sup> Plan period, which now requires the financial burden (for SSA) on the states to increase progressively up to 2011-12, when the pattern of fund sharing between Centre and states would reach 50:50. While the Central Government has been reiterating its concern for universalising elementary education in the country and many of the states are unable to step up their education budgets significantly under the restrictions imposed by their Fiscal Responsibility Legislations, such a step from the Central Government is highly questionable. Moreover, SSA is one of the few schemes in which the ability of the states to utilise available amounts of funds has improved significantly during the last five years. Hence, the Centre should have provided significantly greater magnitude of funds for SSA during the 11<sup>th</sup> Plan period rather than shifting a greater part of the financial burden on to the states.

In case of **Mid-Day Meal Scheme (MDMS)** the outlay has been increased progressively from Rs. 1,508 crore in 2004-05 (RE) to Rs. 7,200 crore in 2008-09 (BE). However, the coverage of this scheme has been extended in 2008-09 to upper primary schools (along with primary schools) in all blocks across the country. Hence, the increase in outlay in 2008-09 as compared to 2007-08 (RE),

which is around Rs. 1,200 crore, might not be adequate. More importantly, field level investigations on implementation of MDM scheme (based on preliminary findings of a study by CBGA, New Delhi, titled “District Level Analysis of Public Spending on Children” in 2007-08) reveal that there is clearly a need for more funds for some of the components of this scheme, such as, conversion cost, kitchen devices, remuneration for cooks, transportation costs and Management, Monitoring and Evaluation (MME) of the scheme. Hence, the magnitude of funds currently provided for MDM is inadequate and the Central Government needs to increase the same adequately.

**Table 16: union budget Outlays for Flagship Schemes in Elementary Education (in Rs. Crore)**

Flagship Programme/ Scheme	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	RE	RE	RE	RE	RE	BE
<b>Sarva Shiksha Abhiyan (SSA)</b> [excluding lumpsum provision for North Eastern Region & Sikkim]	2732	4754	7166	10146	12020	11940
<b>Mid-Day Meal Scheme</b> [excluding lumpsum provision for North Eastern Region & Sikkim]	1375	1508	3011	4813	6004	7200

**Source:** Compiled from *Expenditure Budget Vol. II (Notes on Demands for Grants), Union Budget*, various years.

## Secondary Education

With the opening up of the Indian economy to the world, the rapid changes witnessed in science and technology, the pressing need to improve quality of life and reduce poverty, it becomes more urgent than ever before that school leavers acquire higher levels of knowledge and skills than what they are provided in the 8 years of elementary education. The secondary stage has received inadequate attention in public policy discourses in India, almost throughout the post-Independence period and the neglect in terms of its provisioning by the State has become even more acute in the last couple of decades.

Looking at the trends in financing of secondary education sector, as per the Report of the “Committee on National Common Minimum Programme’s Commitment of 6 percent GDP to Education” under the Chairmanship of Professor Tapas Majumdar, secondary education received 0.82 percent of GDP in 2004-05, whereas it has been recommended by the Central Advisory Board of Education (CABE) that out of 6 percent GDP to be devoted to education, 1.5 percent should be towards secondary education. Thus, there is a difference of 0.62 percent of GDP to the extent of which secondary education can be said to be under-funded. If secondary education has to be provided universal access, the major initiative has to be from the Central Government and hence a large share of additional funding required may have to be provided by the Central Government. Since it is a highly productive investment for the future and the quantum of additional investment is only a small fraction of the total Budget of the Government of India, it would be in the interest of the future of the Indian economy and society to adequately fund this sector.

### Higher Education

The story with the higher levels of education is almost similar. The situation has not changed much since last year when the Human Resource Development Minister, Arjun Singh, termed higher education to be the ‘sick child’ of education and called for academics to “come to terms with reality”. The Minister also called upon the Vice Chancellors to define the parameters of higher education — the content, the extent of higher education, the methodology of teaching and the basic ingredients of the syllabus. It hardly needs emphasis that a vibrant and equitable system of higher education that encourages quality learning as a result of both teaching and research is fundamental for any kind of success in the emerging knowledge economy. The developed world appreciating this fact believes that any amount of investment in higher education is purely legitimate (Prakash, Ved; “*Trends in Growth and Financing of Higher Education in India*”, Economic and Political Weekly, August 4-10, 2007). As against a meagre 0.37 percent share of GDP spending on higher education in India, the USA (1.41%), the UK (1.07%) and even China (0.5%) spend considerably more. The National Knowledge Commission estimates that a minimum of 1.5 percent of the GDP must go towards higher education, out of a total of 6 percent for education as a whole.

With regard to the increasing trend observed in terms of privatisation of higher education, it may be of interest to note that although there is a considerable share of private sector in higher education (in the form of private institutions) in countries like the USA (59.4%), Germany (29.5%), Israel (14%), and China (39.1%), student preference continues to tilt toward public institutions. This is evident from the share of enrolment in private institutions for the aforesaid countries which are, 23.2%, 3.7 percent, 11 percent and 8.9 percent respectively, as reported in 2005<sup>2</sup>. The comparable figures for India (63.21 percent as the share of private sector) are 51.53 percent. This, in large measure, connotes that contrary to the trend in India, higher education is still taken more seriously as a ‘public’ service in these countries and compares well in terms of quality with private institutions.

With regard to funding higher education, the sector has been affected by the vagaries of budget making along with the changing concerns of the Government towards education. It is noted that (Chattopadhyay, Saumen, “*Exploring Alternative Sources of Financing Higher Education*”, Economic and Political Weekly, October 20, 2007) the share of total expenditure on higher education by Government of India fell to 16.7 percent in 1996-97 from 20.6 percent in 1990-91, climbing to 26 percent in 1998-99 to fall again to 19 percent in 2003-04. As a proportion of GDP, the share of higher education has been declining as noted in Table 2.

### Adult Education

In the context of viewing education holistically, as under EFA, it is worth stressing that in most developing countries, a vital segment often ignored is adult education and the provisions for it are neither sufficient in quantity nor in quality. It is obvious that attention must be paid to increasing and sustaining adult participation rates; appropriate policies and institutions are obvious areas of

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2 Programme on Research on Private Higher Education, State University of New York at Albany 2005, available at [www.albany.edu/dept/eaps/prophe/data/PHOPHEDatasummary.doc](http://www.albany.edu/dept/eaps/prophe/data/PHOPHEDatasummary.doc)

core concern in this respect and needless to add, that the situation in developing countries tends to be much worse. As is well known, adult education programmes are critical for several social groups, e.g. those unsuccessful in school and vocational education and lacking motivation; women owing to their twin roles as care-givers (in family) and workers; and households on account of financial stress, besides the multitude of illiterate adults in our country. Ideally then, adult learning would foster active citizenship, strengthen personal growth, secure social inclusion and thus go far beyond ‘employability’. With regard to public financing of adult education, trends across the world, more so in developing countries, reveal inadequate allocations and ad-hocism. Also, the share of out of pocket expenditure by citizens on adult education has tended to be on the rise and needs to be viewed with caution. Table 2 clearly shows the drastic under-spending towards this level.

It is also necessary that besides general education up to secondary level, opportunities for improvement of vocational knowledge and skill should be provided at the secondary education level onwards to enable employability. In this respect again, India’s record is quite dissatisfying. Even three years after graduation, over 60 percent of all graduates remained unemployed. Although a significant proportion of apprentices find employment, close to two-thirds of this population is not employed in the trade for which they were trained – a third of these had been trained in obsolete trades. There appear to be three reasons for this: (a) limited growth and labour demand in the manufacturing sector, (b) mismatch between the skills attained and those actually in demand, and (c) mismatch between the skills taught and the graduates’ own labour market objectives. According to reliable estimates, the vocational education stream is quite small enrolling less than 3 percent of students at the upper secondary level. In per capita terms, vocational education is costlier than general education. However, public expenditure on vocational education has been extremely low, as compared to general secondary education. Given the demand for skilled manpower in manufacturing and services, the Government should aim to spend at least 10 - 15 percent of its total public expenditure on education on vocational education, as recommended by the National Knowledge Commission in December 2006.

Vocational education courses are offered in schools (at classes XI and XII) and are aimed at preparing students for entry into the labour market. It has been observed though that students in the vocational stream appear intent on entering higher education. International experience suggests that employers mostly want young workers with strong basic academic skills and not necessarily vocational skills. To make the existing vocational education system relevant to market needs, a major restructuring of the system and how it is managed will be needed.

### NCMP Commitments: A Review

<p>Raise public spending on education to 6 percent of GDP</p>	<p>The budget outlay for the education departments of Centre and states combined remained at a meager 2.84 percent of GDP in 2007-08. We may note here that the total budget outlay on education in India, i.e. including the budget outlays for education departments and education-related services delivered by the other departments<sup>3</sup> of the Centre and states combined, is estimated to have been 3.54 percent of the GDP in 2006-07 (BE)<sup>4</sup>. Thus, even after four years of the UPA Government staying in power, the NCMP promise of raising the country’s total public spending on education to 6percent of GDP remains unfulfilled.</p>
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Introduce a cess on all central taxes to finance the commitment to universalise access to quality basic education	Although, introduction of an Education Cess was a welcome move by the Government, it was expected that the proceeds would complement the Government's own initiatives rather than substituting the same. However, if adjustments are made for the external support as well as Education Cess, the proportionate contribution made from the resources of the present Government itself has in fact declined from around 68 percent in the year 2001-02 RE to around 35 percent in 2007-08 BE and 31 percent in 2008-2009 BE.
Table a bill on education as a fundamental right	The Centre has passed the Right to Education Bill, (2008) although there remains strong criticism of the provisions (or the lack thereof) in the Bill, in its present form.
Ensure nationwide coverage of the mid-day meal programme	Coverage of MDM; 12 crore children, 9.5 lakh Govt. schools Up gradation of nutritional norms has occurred Provision has been made to extend the scheme in upper primary level in 3,479 educationally backward blocks.
Establish the National Commission on Education	The Kothari Commission was the last commission set up on education in 1964. However, no new Education Commission has been set up yet.
Set up Knowledge Commission in January 2005	A National Knowledge Commission was set up in October 2005.
Review <i>Sarva Shiksha Abhiyan</i> and the progress in achieving primary education goals	New funding pattern for SSA in the XI Plan with the first two years following 65:35 (Centre:State share) and subsequently tapering it off to 50:50 by the end of the Plan period. This can only be seen as a clear withdrawal by the Centre from its commitment to provide universal elementary education.

### III. Suggestions for Provisioning for Education in union budget 2009-10

1. **Fundamental Right to Education** – The Right to Education Bill (2008), in its present form, is but a vindication of what the educationists and civil society activists have feared for a while now – that the Government is not serious about putting a comprehensive legislation in place. While the efforts may be laudable, the provisions leave much to be desired. It is imperative that specific concerns with regard to the Bill are addressed:
  - i. **Financing aspects:** A clear commitment on the part of the Centre to provide *all* the additional funding required to ensure the Right to Education
  - ii. Inclusion of children below 6 years of age within the purview of the Right to Education
2. **6 percent of GDP for Education** – We need to reiterate our demand for allocating more towards education. A gradual shift seen towards funding education out of cess/taxes as opposed to funding out of gross budgetary support is also a matter of concern. Of late, the issue of under-utilisation of funds in the various Government programmes and schemes is being highlighted in an attempt to do away with the demand for increased spending in the education sector. While it is true that Government schemes reveal substantial under-spending, the reasons for the same relate to issues of improper institutional mechanisms, patterns of fund flow from the Centre to the subsequent levels below and need for greater and effective decentralisation. The fundamen-

tal premise of the need for increase in spending in education, in general, and at all levels in a uniform manner, thus remains relevant.

3. **Universalising Early Childhood Education** – The 12<sup>th</sup> Plan document, while outlining the proposals in education, makes no mention of this critical level, thereby making education out of bounds to a major proportion of population. Providing a year of pre-schooling in all institutions of elementary education could be explored. Implications for resource allocation and recruitment of adequate staff follow from this.
4. **Decentralisation and Delegation of Powers of Autonomous Management** through school management committees (comprising parents, PRI representatives and other stakeholders) including finance and accounting at the school level based on per child grants.
5. **Addressing Quality Issues** - There is a serious challenge of quality in Indian education, which has many dimensions, such as providing adequate physical facilities and infrastructure, making available adequate teachers of requisite quality, effectiveness of teaching-learning processes, attainment levels of students, teacher training (both in-service and during recruitment), institutional strengthening [such as National Council for Education Research & Training (NCERT), State Council for Education Research & Training (SCERTs), State Institute of Education (SIEs), District Institute of Education Training (DIETs), Block Resources Centre (BRCs), etc.], curriculum and attention to pedagogy.
6. **Interventions to Ensure Access of Educationally Deprived Categories** – In order to ensure enrolment, retention of girl child, SC/ST and other deprived sections of the country, support in terms of infrastructure and other measures is necessary. In this regard, apart from ensuring that there are facilities such as separate toilets in schools, the system of entitlements such as free textbooks, uniforms and scholarships must be strengthened and channelised to avoid vast regional/inter-state disparity.
7. **Doing away with Matching Share by States** – While the Centre needs to step up spending on critical interventions in education at all levels, the pre-condition that is inherent in many of the Government schemes of the need for the State to provide for a matching grant to the Centre's share must be done away with. The existing fiscal condition in most states is hardly conducive to support this kind of 'arm-twisting' by the Centre.
8. **Check Increasing Role of Private Players in Education** – The 11<sup>th</sup> Plan proposals for financing education (at all levels) shows an increasing reliance on the private sector that is camouflaged in different ways, such as community contribution, public-private partnership, user fees, voucher system etc. This is an alarming feature and a concerted voice against this needs to be prioritised appropriately.

3 Other Departments, such as Dept. of Social Welfare or Welfare of SCs, STs and OBCs, Dept. of Rural Development and *Panchayati Raj* and Dept. of Labour and Employment etc. do incur some expenditures on education-related services.

4 Figure for total budget outlay on education (including the outlays for Education Departments and education services delivered by Other Departments at the centre and states combined) for 2006-07 (BE) has been taken from the *Analysis of Budgeted Expenditure on Education: 2004-05 to 2006-07*, Ministry of HRD, GoI, 2007, and the figure for GDP at factor cost (current prices) for 2006-07 has been taken from *Economic Survey 2007-08*, Ministry of Finance, GoI, 2008.

9. **Licensing Controls for Foreign Institutions in Higher Education** – With the proposed opening up of higher education to foreign private institutions through the acceptance of General Agreement on Trade in Services (GATS), foreign institutions providing higher education would be allowed to set up shop in the country. There is not just the danger that private players of indeterminate quality and poor credentials fleece the students for a ‘foreign’ degree but also the overall issue of privatisation of this critical stage of education. There is a need to put in place appropriate mechanisms to regulate and monitor this trend.
10. **Setting up a National Commission on Education** – Reiterating the demand made last year, there is an urgent need to establish a National Commission on Education. The last Education Commission was set up in 1964. With the economic reforms well in motion and the policy framework of the Governments having changed considerably since 1960s, it is only appropriate that the Commission be constituted to address the relevant and emerging issues in education policy and financing.

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**PART THREE**

**RIGHT TO HEALTH**

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# Budgeting for Right to Healthcare in India

*Ravi Duggal*

**M**ore than six decades experience of waiting for the policy route to assure respect, protection and fulfilment for healthcare is now behind us. The Bhore Committee recommendations which had the potential for this assurance were assigned to the back-burner due to the failure of the state machinery to commit a mere 2 percent of the Gross Domestic Product at that point of time for implementation of the Bhore Plan.<sup>1</sup> The experience over the ten plan periods since then in implementing health plans and programmes has been that each plan and/or health committee contributed to the dilution of the comprehensive and universal access approach by developing selective schemes or programmes, and soon enough the Bhore plan was archived and forgotten about. So our historical experience tells us that we should abandon the policy approach and adopt the human rights route to assuring universal access to all people for healthcare. Policies should be contextualised within the rights framework. The State is today talking of health sector reform and making architectural corrections under the National Rural Health Mission and hence it is the right time to switch gears and move in the direction of right to health and healthcare.

The right to healthcare is primarily a claim to an entitlement, a positive right, not a protective fence.<sup>2</sup> As entitlements rights are contrasted with privileges, group ideals, societal obligations, or acts of charity, and once legislated they become claims justified by the laws of the state. The emphasis thus needs to shift from 'respect' and 'protect' to focus more on 'fulfill'. For the right to be effective optimal resources that are needed to fulfil the core obligations have to be made available through the budget and utilised effectively.

Further, using a human rights approach also implies that the entitlement is universal. This means there is no exclusion from the provisions made to assure healthcare on any grounds whether

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1 Bhore, Joseph (1946), Report of the Health Survey and Development Committee, Volume I to IV, Delhi: Govt. of India.

2 In the 18<sup>th</sup> century rights were interpreted as fences or protection for the individual from the unfettered authoritarian governments that were considered the greatest threat to human welfare. Today democratic governments do not pose the same kind of problems and there are many new kinds of threats to the right to life and well being. Hence in today's environment reliance on mechanisms that provide for collective rights is a more appropriate and workable option. Social democrats all over Europe, in Canada, Australia have adequately demonstrated this in the domain of healthcare. See Chapman, Audrey (1993), Exploring a Human Rights Approach to Healthcare Reform, Washington DC: American Association for the Advancement of Science.

purchasing power, employment status, residence, religion, caste, gender, disability, and any other basis of discrimination.<sup>3</sup> But this does not discount the special needs of disadvantaged and vulnerable groups who may need special entitlements through affirmative action to rectify historical or other inequities suffered by them.

Thus establishing universal healthcare through the human rights route is the best way to fulfil the obligations mandated by international law and domestic constitutional provisions. International law, specifically the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Alma Ata Declaration, among others, provide the basis for the core content of right to health and healthcare. But country situations are very different and hence there should not be a global core content, it needs to be country specific.<sup>4</sup> In India's case a certain trajectory has been followed through the policy route and we have an existing baggage, which we need to sort out and fit into the new strategy.

Specific features of this historical baggage are:

- a very large and unregulated private health sector with an attitude that the existing policy is the best one as it gives space for maximising their interests, a complete absence of professional ethics and absolute disinterest in organising around issues of self-regulation, improvement of quality and accountability, and need for an organised healthcare system
- a declining public healthcare system which provides selective care through a multiplicity of schemes and programmes, and discriminates on the basis of residence (rural-urban) in providing for entitlements for healthcare
- existing inequities in access to healthcare based on employment status and purchasing power
- inadequate development of various pre-conditions of health like water supply and sanitation, environmental health and hygiene and access to food<sup>5</sup>
- very large numbers of unqualified and untrained practitioners
- declining investments and expenditure in public health
- adequate resource availability when we account for out-of-pocket expenses
- human power and infrastructure reasonably adequate, though inequitably distributed
- wasteful expenditures due to lack of regulation and standard protocols for treatment

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3 A human rights approach would not necessitate that all healthcare resources be distributed according to strict quantitative equality or that society attempt to provide equality in medical outcomes, neither of which would in any case be feasible. Instead the universality of the right to healthcare requires the definition of a specific entitlement be guaranteed to all members of our society without any discrimination. See Chapman, Audrey (1993), *Exploring a Human Rights Approach to Healthcare Reform*, Washington DC: American Association for the Advancement of Science.

4 Country specific thresholds should be developed by indicators measuring nutrition, infant mortality, disease frequency, life expectancy, income, unemployment and underemployment, and by indicators relating to adequate food consumption. States should have an immediate obligation to ensure the fulfilment of this minimum threshold. See Andreassen, B, Smith, A and Stokke, H, , *Compliance with economic and Social Rights: Realistic Evaluations and Monitoring in the Light of Immediate Obligations in A Eide and B Hagtvvet (eds.) (1992), Human Rights in Perspective: A global Assessment*, Oxford: Blackwell.

5 Efforts to prevent hunger have been there through the Integrated Child Development Services programme and mid-day meals. Analysis of data on malnutrition clearly indicates that where enrolment under ICDS is optimal malnutrition amongst children is absent, but where it is deficient one sees malnutrition. Another issue is that we have overflowing food-stocks in godowns but yet each year there are multiple occasions of mass starvation in various pockets of the country.

Thus the operationalisation of the right to healthcare will have to be developed keeping in mind what we have and how we need to change it.

The rights perspective of health and healthcare derives from Article 12, “The right to the highest attainable standard of health”, of the ICESCR to which India has acceded. According to the General Comment 14 the Committee for Economic, Social and Cultural Rights states that the right to health requires *availability, accessibility, acceptability, and quality* with regard to both healthcare and underlying preconditions of health. The Committee interprets the right to health, as defined in article 12.1, as an inclusive right extending not only to timely and appropriate healthcare but also to the underlying determinants of health, such as access to safe and potable water and adequate sanitation, an adequate supply of safe food, nutrition and housing, healthy occupational and environmental conditions, and access to health-related education and information, including on sexual and reproductive health. This understanding is detailed below:

The right to health in all its forms and at all levels contains the following interrelated and essential elements, the precise application of which will depend on the conditions prevailing in a particular State party:

- (a) **Availability:** Functioning public health and healthcare facilities, goods and services, as well as programmes, have to be available in sufficient quantity within the State party. The precise nature of the facilities, goods and services will vary depending on numerous factors, including the State party’s developmental level. They will include, however, the underlying determinants of health, such as safe and potable drinking water and adequate sanitation facilities, hospitals, clinics and other health-related buildings, trained medical and professional personnel receiving domestically competitive salaries, and essential drugs, as defined by the WHO Action Programme on Essential Drugs.
- (b) **Accessibility:** Health facilities, goods and services have to be accessible to everyone without discrimination, within the jurisdiction of the State party. Accessibility has four overlapping dimensions:
  - (i) **Non-discrimination:** health facilities, goods and services must be accessible to all, especially the most vulnerable or marginalised sections of the population, in law and in fact, without discrimination on any of the prohibited grounds.
  - (ii) **Physical accessibility:** Health facilities, goods and services must be within safe physical reach for all sections of the population, especially vulnerable or marginalised groups, such as ethnic minorities and indigenous populations, women, children, adolescents, older persons, persons with disabilities and persons with HIV/AIDS. Accessibility also implies that medical services and underlying determinants of health, such as safe and potable water and adequate sanitation facilities, are within safe physical reach, including in rural areas. Accessibility further includes adequate access to buildings for persons with disabilities.
  - (iii) **Economic accessibility (affordability):** Health facilities, goods and services must be affordable for all. Payment for healthcare services, as well as services related to the underlying determinants of health, has to be based on the principle of equity, ensuring that these services, whether privately or publicly provided, are affordable for all, including socially disadvantaged groups. Equity demands that poorer households should not be disproportionately burdened with health expenses as compared to richer households.



- (iv) **Information accessibility:** Accessibility includes the right to seek, receive and impart information and ideas concerning health issues. However, accessibility of information should not impair the right to have personal health data treated with confidentiality.
- (c) **Acceptability:** All health facilities, goods and services must be respectful of medical ethics and culturally appropriate, i.e. respectful of the culture of individuals, minorities, peoples and communities, sensitive to gender and life-cycle requirements, as well as being designed to respect confidentiality and improve the health status of those concerned.
- (d) **Quality:** As well as being culturally acceptable, health facilities, goods and services must also be scientifically and medically appropriate and of good quality. This requires, *inter alia*, skilled medical personnel, scientifically approved and unexpired drugs and hospital equipment, safe and potable water, and adequate sanitation.<sup>6</sup>

Universal access to good quality healthcare equitably is the key element at the core of this understanding of right to health and healthcare. To make this possible the State parties are obligated to *respect, protect and fulfil* the above in a progressive manner:

*The right to health, like all human rights, imposes three types or levels of obligations on State parties: the obligations to respect, protect and fulfil. In turn, the obligation to fulfil contains obligations to facilitate, provide and promote. The obligation to respect requires States to refrain from interfering directly or indirectly with the enjoyment of the right to health. The obligation to protect requires States to take measures that prevent third parties from interfering with Article 12. Finally, the obligation to fulfil requires states to adopt appropriate legislative, administrative, budgetary, judicial, promotional and other measures towards the full realisation of the right to health.*<sup>7</sup>

(Further) State parties are referred to the Alma-Ata Declaration, which proclaims that the existing gross inequality in the health status of the people, particularly between developed and developing countries, as well as within countries, is politically, socially and economically unacceptable and is, therefore, of common concern to all countries. State parties have a core obligation to ensure the satisfaction of, at the very least, minimum essential levels of each of the rights enunciated in the Covenant, including essential primary healthcare. Read in conjunction with more contemporary instruments, such as the Programme of Action of the International Conference on Population and Development, the Alma-Ata Declaration provides compelling guidance on the core obligations arising from Article 12. Accordingly, in the Committee's view, these core obligations include at least the following obligations:

- (a) To ensure the right of access to health facilities, goods and services on a non-discriminatory basis, especially for vulnerable or marginalised groups;
- (b) To ensure access to the minimum essential food which is nutritionally adequate and safe, to ensure freedom from hunger to everyone;
- (c) To ensure access to basic shelter, housing and sanitation, and an adequate supply of safe and potable water;

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6 UNCESCR, (2000), General Comment 14 on Article 12 of ICESCR, CESCR 22<sup>nd</sup> Session 25 Apr- 12 May, 2000, UN Geneva

7 Ibid.

- (d) To provide essential drugs, as from time to time defined under the WHO Action Programme on Essential Drugs;
- (e) To ensure equitable distribution of all health facilities, goods and services;
- (f) To adopt and implement a national public health strategy and plan of action, on the basis of epidemiological evidence, addressing the health concerns of the whole population; the strategy and plan of action shall be devised, and periodically reviewed, on the basis of a participatory and transparent process; they shall include methods, such as right to health indicators and benchmarks, by which progress can be closely monitored; the process by which the strategy and plan of action are devised, as well as their content, shall give particular attention to all vulnerable or marginalised groups.

The Committee also confirms that the following are obligations of comparable priority:

- (a) To ensure reproductive, maternal (pre-natal as well as post-natal) and child healthcare;
- (b) To provide immunisation against the major infectious diseases occurring in the community;
- (c) To take measures to prevent, treat and control epidemic and endemic diseases;
- (d) To provide education and access to information concerning the main health problems in the community, including methods of preventing and controlling them;
- (e) To provide appropriate training for health personnel, including education on health and human rights.<sup>8</sup>

The above guidelines from General Comment 14 on Article 12 of ICESCR are critical to the development of the framework for right to health and healthcare. As a reminder it is important to emphasise that in the Bhore Committee report of 1946 we already had these guidelines, though they were not in the ‘rights’ language. Thus within the country’s own policy framework all this has been available as guiding principles for now over 60 years.

## First Steps towards Right to Healthcare

To establish right to healthcare certain first essential steps will be compulsory:

- equating directive principles with fundamental rights through a constitutional amendment
- incorporating a National Health Act (similar to Canada Health Act for example) which will organise the present healthcare system under a common umbrella organisation as a public-private mix governed by an autonomous national health authority which will also be responsible for bringing together all resources under a single-payer mechanism
- generating a political commitment through consensus building on right to healthcare in civil society
- development of a strategy for pooling all financial resources deployed in the health sector
- redistribution of existing health resources, public and private, on the basis of standard norms (these would have to be specified) to assure physical (location) equity

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<sup>8</sup> Ibid.

As an immediate step, within its own domain, the State should undertake to accomplish the following:

- Allocation of health budgets as block funding, that is on a per capita basis for each population unit of entitlement as per existing norms. This will create redistribution of current expenditures and reduce substantially inequities based on residence.<sup>9</sup> Local governments should be given the autonomy to use these resources as per local needs but within a broadly defined policy framework of public health goals
- Strictly implementing the policy of compulsory public service by medical graduates from public medical schools, as also make public service of a limited duration mandatory before seeking admission for post-graduate education. This will increase human resources with the public health system substantially and will have a dramatic impact on the improvement of the credibility of public health services
- Essential drugs as per the WHO list should be brought back under price control (90 percent of them are off-patent) and/or volumes needed for domestic consumption must be compulsorily produced so that availability of such drugs is assured at affordable prices and within the public health system
- Local governments must adopt location policies for setting up of hospitals and clinics as per standard acceptable ratios, for instance one hospital bed per 500 populations and one general practitioner per 1,000 persons. To restrict unnecessary concentration of such resources in areas fiscal measures to discourage such concentration should be instituted.<sup>10</sup>
- The medical councils must be made accountable to assure that only licensed doctors are practicing what they are trained for.<sup>11</sup> Such monitoring is the core responsibility of the council by law which they are not fulfilling, and as a consequence failing to protect the patients who seek care from unqualified and untrained doctors. Further continuing medical education must be implemented strictly by the various medical councils and licenses should not be renewed (as per existing law) if the required hours and certification is not accomplished
- Integrate ESIS, CGHS and other such employee based health schemes with the general public health system so that discrimination based on employment status is removed and such integration will help more efficient use of resources. For instance, ESIS is a cash rich organisation

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9 To illustrate this, taking the Community Health Centre (CHC) area of 150,000 population as a “health district” at current budgetary levels under block funding this “health district” would get Rs. 55 million (current resources of state and central govt. combined is over Rs.400 billion, that is Rs. 360 per capita). This could be distributed across this health district as follows : Rs 500,000 per bed for the 30 bedded CHC or Rs. 15 million (Rs.10 million for salaries and Rs. 5 million for consumables, maintenance, POL etc..) and Rs. 8 million per PHC (5 PHCs in this area), including its sub-centres and CHVs (Rs. 6 million as salaries and Rs. 2 million for consumables etc..). This would mean that each PHC would get Rs. 267 per capita as against less than Rs. 70 per capita currently. In contrast a district headquarter town with average 300,000 populations would get Rs. 108 million. To support health administration, monitoring, audit, statistics etc, each unit would have to contribute 5 percent of its budget. Of course, these figures have been worked out with existing budgetary levels and excluding local government spending which is quite high in larger urban areas. See Duggal, Ravi, Resource Generation without Planned Allocation, Economic and Political Weekly (EPW), Jan 5, 2002.

10 Such locational restrictions in setting up practice may be viewed as violation of the fundamental right to practice one’s profession anywhere. It must be remembered that this right is not absolute and restrictions can be placed in concern for the public good. The suggestion here is not to have compulsion but to restrict through fiscal measures. In fact in the UK under NHS, the local health authorities have the right to prevent setting up of clinics if their area is saturated.

11 For instance the Delhi Medical Council has taken first steps in improving the registration and information system within the council and some mechanism of public information has been created.

sitting on funds collected from employees (which are parked in debentures and shares of companies!), and their hospitals and dispensaries are grossly under-utilised. The latter could be made open to the general public

- Strictly regulate the private health sector as per existing laws, but also an effort to make changes in these laws to make them more effective. This will contribute towards improvement of quality of care in the private sector as well as create some accountability
- Strengthen the health information system and database to facilitate better planning as well as audit and accountability.

Carrying out the above immediate steps, for which we need only political commitment and not any radical transformation, will create the basis to move in the direction of first essential steps indicated above. In order to implement the first-steps the essential core contents of healthcare have to be defined and made legally binding through the processes of the first-steps. The literature and debate on the core contents is quite vast and from that we will attempt to draw out the core content of right to health and healthcare keeping the Indian context discussed above in mind.

## The Core Content of Right to Healthcare

Audrey Chapman in discussing the minimum core contents summarises this debate, “Operatively, a basic and adequate standard of healthcare is the minimum level of care, the core entitlement, that should be guaranteed to all members of society: it is the floor below which no one will fall.”<sup>12</sup> She further states that the basic package should be fairly generous so that it is widely acceptable by people, it should address special needs of special and vulnerable population groups like under privileged sections (SC and ST in India), women, physically and mentally challenged, elderly etc., it should be based on cost-conscious standards but allocations to provide services should not be determined by budgetary constraints<sup>13</sup>, and it should be accountable to the community as also demand the latter’s participation and involvement in monitoring and supporting it. All this is very familiar terrain, with the Bhore Committee saying precisely the same things way back in 1946.

We would like to put forth the core content as under: First, the primary care services<sup>14</sup> should include at least the following:

- General practitioner/family physician services for personal healthcare.
- First level referral hospital care and basic specialty services (general medicine, general surgery, obstetrics and gynaecology, paediatrics and orthopaedic), including dental and ophthalmic services.

<sup>12</sup>This implies that the health status of the people should be such that they can at least work productively and participate actively in the social life of the community in which they live. It also means that essential healthcare sufficient to satisfy basic human needs will be accessible to all, in an acceptable and affordable way, and with their full involvement. WHO (1993), Third Monitoring of Progress, Common Framework, CFM3, Implementation of Strategies for Health for All by the Year 2000, Geneva: WHO

<sup>13</sup>General Comment 3 of ICESCR reiterates this that the minimum core obligations by definition apply irrespective of the availability of resources or any other factors and difficulties. Hence it calls for international cooperation in helping developing countries who lack resources to fulfil obligations under international law.

<sup>14</sup>Most of the curative services have to be a public-private mix because of the existing baggage of the health system we have but this has to be under an organised, regulated and accountable healthcare system.

- Immunisation services against all vaccine preventable diseases.
- Maternity and reproductive health services for safe pregnancy, safe abortion, delivery and post-natal care and safe contraception.
- Pharmaceutical services - supply of only rational and essential drugs as per accepted standards.
- Epidemiological services including laboratory services, surveillance and control of major diseases with the aid of continuous surveys, information management and public health measures.
- Ambulance services.
- Health education.
- Rehabilitation services for the physically and mentally challenged and the elderly and other vulnerable groups
- Occupational health services with a clear liability on the employer
- Safe and assured drinking water and sanitation facilities, minimum standards in environmental health and protection from hunger to fulfil obligations of underlying preconditions of health.<sup>15</sup>

The above listed components of primary care are the minimum that must be assured, if a universal healthcare system has to be effective and acceptable. And these have to be within the context of first-steps and not to wait for progressive realisation – these cannot be broken up into stages, as they are the core minimum. The key to equity is the existence of a minimum decent level of provision, a floor that has to be firmly established. However, if this floor has to be stable certain ceilings will have to be maintained toughly, especially on urban healthcare budgets and hospital use.<sup>16</sup> This is important because human needs and demands can be excessive and irrational. Those wanting services beyond the established floor levels will have to seek it outside the system and/or at their own cost.

*Therefore it is essential to specify adequate minimum standards of healthcare facilities, which should be made available to all people irrespective of their social, geographical and financial position. There has been some amount of debate on standards of personnel requirements [doctor: population ratio, doctor: nurse ratio] and of facility levels [bed: population ratio, PHC: population ratio] but no global standards have as yet been formulated though some ratios are popularly used, like one bed per 500 population, one doctor per 1000 persons, 3 nurses per doctor, health expenditure to the tune of 5 percent of GDP. etc. Another way of viewing standards is to look at the levels of countries that already have universal systems in place. In such countries one finds that on an average per 1000 population there are 2 doctors, 5 nurses and as many as 10 hospital beds.<sup>17</sup> The moot point here is that these ratios have remained more or less constant over the last 30 years indicating that some sort of an optimum level has been reached. In India with regard to hospital care the Bureau of Indian Standards (BIS) has worked out minimum requirements*

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<sup>15</sup>These services need not be part of the health department or the national health authority that may be created and may continue to be part of the urban and rural development departments as of present.

<sup>16</sup>Abel-Smith, Brian (1977), Minimum Adequate Levels of Personal Healthcare, in Issues in Healthcare Policy, ed. John Mckinlay, A Milbank Reader 3, New York

<sup>17</sup>OECD (1990), Health Systems in Transition, Organisation for Economic Cooperation and Development, Paris ; WHO (1961), Planning of Public Health Services, TRS 215, Geneva: World Health Organisation.

*for personnel, equipment, space, amenities, etc. For doctors they have recommended a ratio of one per 3.3 beds and for nurses one per 2.7 beds for three shifts.<sup>18</sup>*

The first response from the government and policymakers to the question of using the above norms in India is that they are excessive for a poor country and we do not have the resources to create such a level of healthcare provision. Such a reaction is invariably not a studied one and needs to be corrected. Let us construct a selected epidemiological profile of the country based on whatever proximate data is available through official statistics and research studies. We have obtained the following profile after reviewing available information<sup>19</sup>:

- Daily morbidity = 2 percent to 3 percent of population, that is about 20-30 million patients to be handled everyday (7 - 10 billion per year)
- Hospitalisation Rate 20 per 1000 population per year with 12 days average stay per case, that is a requirement of 228 million bed-days (that is 20 million hospitalisations as per NSS -1987 survey, an underestimate because smaller studies give estimates of 50/1000/year or 50 million hospitalisations)
- Prevalence of Tuberculosis 11.4 per 1000 population or a caseload of over 11 million patients
- Prevalence of Leprosy 4.5 per 1000 population or a caseload of over four million patients
- Incidence of Malaria 2.6 per 1000 population yearly or 2.6 million new cases each year
- Diarrhoeal diseases (under 5) = 7.5 percent (2-week incidence) or 1.8 episodes/child/year or about 250 million cases annually
- ARI (under 5) = 18.4 percent (2-week incidence) or 3.5 episodes per child per year or nearly 500 million cases per year
- Cancers = 1.5 per 1000 population per year (incidence) or 1.5 million new cases every year
- Blindness = 1.4 percent of population or 14 million blind persons
- Pregnancies = 21.4 percent of childbearing age-group women at any point of time or over 40 million pregnant women
- Deliveries/Births = 25 per 1000 population per year or about 68,500 births every day

The above is a very select profile, which reflects what is expected out of a healthcare delivery system. Let us take handling of daily morbidity alone, that is, outpatient care. There are 30 million cases to be tackled every day. Assuming that all will seek care (this usually happens when healthcare is universally available, in fact the latter increases perception of morbidity) and that each GP can handle about 60 patients in a days work, we would need over 500,000 GPs equitably distributed

<sup>18</sup> BIS (1989), Basic Requirements for Hospital Planning CIS: 12433 (Part 1)-19883, Bureau of Indian Standards, New Delhi; BIS (1992), Basic Requirements for a 100 Bedded Hospital, A Draft Report, BIS: New Delhi.

<sup>19</sup> CBHI (2005), Various years : Health Information of India, Central Bureau of Health Intelligence, MoHF&W, GOI, New Delhi ; WHO (1988), Country Profile - India, WHO - SEARO, New Delhi ; ICMR (1990), A National Collaborative Study of High Risk Families - ICMR Task Force, New Delhi ; NICD (1988), Combined Surveys on ARI, Diarrhoea and EPI, National Inst. of Communicable Diseases, Delhi ; Gupta, RB et.al., (1992), Baseline Survey in Himachal Pradesh under IPP VI and VII, 3 Vols., Indian Institute of Health Management Research, Jaipur ; and NSS (1987), Morbidity and Utilisation of Medical Services, 42<sup>nd</sup> Round, Report No. 384, National Sample Survey Organisation, New Delhi.

across the country. This is only an average; the actual requirement will depend on spatial factors (density and distance). This means one GP per about 2,500 population, this ratio being three times less favourable than what prevails presently in the developed capitalist and the socialist countries. Today we already have over 1,300,000 doctors of all systems (550,000 allopathic) and if we can integrate all the systems through a CME programme and redistribute doctors as per standard requirements we can provide GP services in the ratio of one GP per 700-1000 population.

## Organising the Universal Healthcare System<sup>20</sup>

The conversion of the existing system into an organised system to meet the requirements of universality and equity and the rights based approach will require certain hard decisions by policy-makers and planners. We first need to spell out the structural requirements or the outline of the model, which will need the support of legislation. More than the model suggested hereunder it is the expose of the idea that is important and needs to be debated for evolving a definitive model.

The most important lesson to learn from the existing model is how not to provide curative services. We have seen above that curative care is provided mostly by the private sector, uncontrolled and unregulated. The system operates more on the principles of irrationality than medical science. The pharmaceutical industry is in a large measure responsible for this irrationality in medical care. Twenty thousand drug companies and over 60,000 formulations characterise the over Rs. 400 billion drug industry in India.<sup>21</sup> The WHO recommends less than 300 drugs as essential for provision of any decent level of healthcare. If good healthcare at a reasonable cost has to be provided then a mechanism of assuring rationality must be built into the system. Family medical practice, which is adequately regulated, along with referral support, is the best and the most economic means for providing good healthcare. What follows is an illustration of a mechanism to operationalise the right to healthcare, it should not be seen as a well defined model but only as an example to facilitate a debate on creating a healthcare system based on a right to healthcare approach. This is based on learnings from experiences in other countries which have organised healthcare systems which provide near universal healthcare coverage to its citizens.

## Family Practice

Each family medical practitioner (FMP) will on an average enrol 400 to 500 families; in highly dense areas this number may go upto 800 to 1,000 families and in very sparse areas it may be as less as 100 to 200 families. For each family/person enrolled the FMP will get a fixed amount from the local health authority, irrespective of whether care was sought or no. He/she will examine patients, make diagnosis, give advice, prescribe drugs, provide contraceptive services, make referrals, make home-visits when necessary and give specific services within his/her framework of skills. Apart from the capitation amount, he/she will be paid separately for specific services (like minor surgeries,

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<sup>20</sup> The following discussion is an updated version based on work done by the author earlier at the Ministry of Health New Delhi as a fulltime WHO National Consultant in the Planning Division of the Ministry. An earlier version was published as Duggal, Ravi (2000), "The Private Health Sector in India – Nature, Trends and a Critique", VHAI, New Delhi.

<sup>21</sup> In addition to this there is a fairly large and expanding Ayurvedic and Homoeopathy drug industry estimated to be over one-third of mainstream pharmaceuticals

deliveries, home-visits, pathology tests etc..) he /she renders, and also for administrative costs and overheads. The FMP can have the choice of either being a salaried employee of the health services (in which case he/she gets a salary and other benefits) or an independent practitioner receiving a capitation fee and other service charges. The FMP will also maintain family and patient records which will facilitate both epidemiological assessments as well as evidence based planning and allocation of resources.

## **Epidemiological Services**

The FMP will receive support and work in close collaboration with the epidemiological station (ES) of his/her area. The present PHC setup will be converted into an epidemiological station. This ES will have one doctor who has some training in public health (one FMP, preferably salaried, of the ES area can occupy this post) and a health team comprising of a public health nurse and health workers and supervisors will assist him. Each ES would cover a population between 10,000 to 50,000 in rural areas depending on density and distance factors and even upto 100,000 population in urban areas. On an average for every 2,000 population there will be a health worker and for every four health workers there will be a supervisor. Epidemiological surveillance, monitoring, taking public health measures, laboratory services, and information management will be the main tasks of the ES. The health workers will form the survey team and also carry out tasks related to all the preventive and promotive programmes (disease programmes, MCH, immunisation, etc.) They will work in close collaboration with the FMP and each health worker's family list will coincide with the concerned FMPs list. The health team, including FMPs, will also be responsible for maintaining a minimum information system, which will be necessary for planning, research, monitoring, and auditing. They will also facilitate health education. Of course, there will be other supportive staff to facilitate the work of the health team.

## **First Level Referral**

The FMP and ES will be backed by referral support from a basic hospital at the 50,000 population level. This hospital will provide basic specialist consultation and inpatient care purely on referral from the FMP or ES, except of course in case of emergencies. General medicine, general surgery, paediatrics, obstetrics and gynaecology, orthopaedics, ophthalmology, dental services, radiological and other basic diagnostic services and ambulance services should be available at this basic hospital. This hospital will have 50 beds, the above mentioned specialists, six general duty doctors and 18 nurses (for three shifts) and other requisite technical (pharmacists, radiographers, laboratory technicians etc.) and support (administrative, statistical, etc.) staff, equipment, supplies etc. as per recommended standards. There should be two ambulances available at each such hospital. The hospital too will maintain a minimum information system and a standard set of records.

## **Pharmaceutical Services**

Under the recommended healthcare system only the essential drugs required for basic care as mentioned in standard textbooks and/or the WHO essential drug list should be made available through pharmacies contracted by the local health authority. Where pharmacy stores are not available within



a 2 km. radial distance from the health facility the FMP should have the assistance of a pharmacist with stocks of all required medicines. Drugs should be dispensed strictly against prescriptions only.

## **Rehabilitation and Occupational Health Services**

Every health district must have a centre for rehabilitation services for the physically and mentally challenged and also services for treating occupational diseases, including occupational and physical therapy

## **Managing the Healthcare System<sup>22</sup>**

For every three to five units of 50,000 population, that is 150,000 to 250,000 population, a health district will be constituted (Taluka or Block level). This will be under a local health authority that will comprise of a committee including political leaders, health bureaucracy, and representatives of consumer/social action groups, ordinary citizens and providers. The health authority will have its secretariat whose job will be to administer the healthcare system of its area under the supervision of the committee. It will monitor the general working of the system, disburse funds, generate local fund commitments, attend to grievances, provide licensing and registration services to doctors and other health workers, accredit health facilities, implement CME programmes in collaboration with professional associations, assure that minimum standards of medical practice and hospital services are maintained, facilitate regulation and social audit etc... The health authority will be an autonomous body under the oversight of the state health department. The FMP appointments and their family lists will be the responsibility of the local health authority. The FMPs may either be employed on a salary or be contracted in on a capitation fee basis to provide specified services to the persons on their list. Similarly, the first level hospitals, either state owned or contracted private hospitals, will function under the supervision of the local health authority with global budgets. The overall coordination, monitoring and canalisation of funds will be vested in a National Health Authority. The NHA will function in effect as a monopoly buyer of health services and a national regulation coordination agency. It will negotiate fee schedules with doctors' associations, determine standards and norms for medical practice and hospital care, and maintain and supervise an audit and monitoring system. It will also have the responsibility and authority to pool resources for the organised healthcare system using various mechanisms of tax revenues, pay roll deductions, social and national insurance funds, health cess, etc.

## **Licensing, Registration and CME**

The local health authority will have the power to issue licenses to open a medical practice or a hospital. Any doctor wanting to set up a medical practice or anybody wishing to set up a hospital, whether within the universal healthcare system or outside it will have to seek the permission of the health authority. The licenses will be issued as per norms that will be laid down for geographical

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<sup>22</sup> The discussion in this paper is restricted to primary care services but they are not the only component of the core content; higher levels of care are needed as support and these already exist to a fair extent though they need to be reorganised. Thus district level hospitals and metropolitan and teaching hospitals are also part of the core content.

distribution of doctors. The local health authority will also register the doctors on behalf of the medical council. Renewal of registration will be linked with continuing medical education (CME) programmes which doctors will have to undertake periodically in order to update their medical knowledge and skills. It will be the responsibility of the local health authority, through a mandate from the medical councils, to assure that nobody without a license and a valid registration practices medicine and that minimum standards laid down are strictly maintained.

## **Financing the Healthcare System**

We again reemphasise that if a universal healthcare system has to assure equity in access and quality then there should be no direct payment by the patient to the provider for services availed. This means that the provider must be paid for by an indirect method so that he/she cannot take undue advantage of the vulnerability of the patient. An indirect single payer mechanism has numerous advantages, the main being keeping costs down and facilitating regulation, control and audit of services.

Tax revenues will continue to remain a major source of finance for the universal healthcare system. In fact, efforts will be needed to push for a larger share of funds for healthcare from the state exchequer. However, in addition alternative sources will have to be tapped to generate more resources. Employers and employees of the organised sector will be another major source (ESIS, CGHS and other such health schemes should be merged with general health services) for payroll deductions. The agricultural sector is the largest sector in terms of employment and population and at least one-fourth to one-third of this population has the means to contribute to a health scheme. Some mechanism, either linked to land revenue or land ownership, will have to be evolved to facilitate receiving their contributions. Similarly self-employed persons like professionals, traders, shopkeepers, etc. who can afford to contribute can pay out in a similar manner to the payment of profession tax in some states. Further, resources could be generated through other innovative methods - health cess collected by local governments as part of the municipal/house taxes, proportion of sales turnover and/or excise duties of health degrading products like alcohol, cigarettes, paan-masalas, guthkas, etc. should be earmarked for the health sector, voluntary collection through collection boxes at hospitals or health centres or through community collections by panchayats, municipalities, etc. Given the increasing domination of the service sector economy, especially financial services, Tobin tax must be used more extensively to generate revenues from all financial transactions in trade, stock markets, banking, credit card etc.

It is not very difficult to raise additional resources if the government has some commitment to the social sectors. A health cess of 2 percent on sales turnover of health degrading products like alcohol, tobacco products like cigarettes, guthka, beedis, pan masalas etc. which together have a turnover estimated at Rs. 2,000 billion would itself generate Rs. 40 billion which is 10 percent addition to the existing health budgets of central and state governments combined. Similarly, the financial transaction tax (Tobin Tax) introduced in the 2005-06 budget needs to be expanded and earmarked for social sector expenditures only (this should be an additional allocation and should not entail reductions from existing allocations out of present tax revenues). India is a rapidly growing financial sector economy and daily transactions in securities (Government and stock market and forex) alone are estimated at Rs. 600 billion per day and other cheque and financial instruments another

Rs. 350 billion daily and a 0.1 percent Tobin tax on this would generate Rs. 95 crores daily for social sector budgets. And this would not hurt those transacting as it would be merely Re. 1 per Rs. 1,000 transacted. Apart from this there are other transactions like credit card transactions, commodities trading etc. which can contribute substantially. There are also other avenues for raising resources for the health sector, for example a health tax similar to profession tax, a health cess on land revenues and agricultural trade so that the rural economy can also contribute to revenues for public health, health cess on personal vehicles using fossil fuels, on luxury goods like air conditioners, on house rents and property taxes above a certain value or size etc. The bottom line is that these additional resources should be strictly earmarked for the health sector and should not find their way into the general pool – with this caveat and evidence of its use for strengthening social sectors like health and education people will not protest against such levies. Further any attempts to raise revenues through user fees should be resisted as they are regressive and anti-poor.

All these methods are used in different countries to enhance health sector finances. Many more methods appropriate to the local situation can be evolved for raising resources. The effort should be directed at assuring that at least 50 percent of the families are covered under some statutory contribution scheme. Since there will be no user-charges people will be willing to contribute as per their capacity to social security funding pools. All these resources would be pooled under a single body, the National Health Authority, and this body would also make payments to providers of services. In order to do this, standardised protocols of treatment and charges will have to be evolved and this itself will have a major impact on both quality of care as well as on efficient use of resources.

Further, we need to advocate with both ministries of health and finance for making structural changes in the way in which both resources are allocated as well as how the health system is organised and structured. The present mechanism of allocating resources to health facilities is very inefficient and also ineffective. Resources must be provided to health facilities whether hospitals or health centres on a block funding or per capita basis. Thus hospitals, for instance, should get funds @ Rs. 500,000 per bed because that is what it requires to run a reasonable district or rural hospital, and a health centre and its subcentres providing comprehensive healthcare should get Rs. 200 - 250 per capita for the 30,000 or 20,000 population it serves to provide a reasonable level of primary healthcare. This mechanism of financing will factor in rationality and efficiency in allocation of resources for public health. Further, on a longer term basis (3 – 5 years down the line) the healthcare system both public and private needs to be restructured into a regulated system – this would involve creating a multi-stakeholder national health authority which pools together all health resources public and private, makes payments to healthcare providers on the basis of defined and structured costs and monitors and regulates such a healthcare system. This reorganisation must be done within the framework of universal access and equity using the right to health approach.

## **Making Budgetary Provisions**

Budget allocations for the above organised system is well within reach provided there is a political will. The requirements for organising and financing such a comprehensive and universal access healthcare system is within the commitment of the present UPA governments manifest statement wherein they commit that 2 percent to 3 percent of GDP should be spent on public healthcare

services. The budgetary requirements worked out below are very much within the reach of this target, and given the presently high rate of economic growth, the proportion of GDP that may be required finally may actually be even lower. However it must be noted that what is worked out below is the minimum and not optimum and once we can provide for this minimum then the pressure would be to move towards the optimum and this may actually be closer to the WHO recommendation of 5 percent of GDP.

### Calculation for Comprehensive Healthcare in India<sup>23</sup>

1. **Primary healthcare** (Family Medical Practitioner + Epidemiological Station-PHC) with following features:

- Staff composition for each PHC-FMP unit to include 4 doctors, 1 PHN, 2 nurse midwives, 8 ANMs (females), 4 MPWs (males), 1 pharmacist, 1 clerk/stat asst., 1 office assistant, 1 lab technician, 1 driver, 1 sweeper – this adds up to salaries and benefits/capitation of Rs. 6 million (salary structures across states may be different and hence this could vary). Doctors and nurses may either be salaried or contracted in on a capitation basis as in the NHS of UK. The curative care component should work as a family medical practice with families (500 – 2,000, depending on density) being assigned to each such provider.
- 10 beds per PHC
- Average rural unit to cover 20,000 population (range 10-30 thousand depending on density); average urban unit to cover 50,000 population (range 30-70 thousand population depending on density)
- Non-salary costs separately for rural and urban units per unit cost as per table below:

Line item	Rate	Rural (20,000 popn. per unit)	Urban (50,000 popn. per unit)
Medicine and other clinical consumables	Rs. 40 per capita per year	Rs. 800,000	Rs. 2,000,000
Travel, POL etc.	Rs. 10,000 pm rural; and Rs. 5,000 pm urban	Rs. 120,000	Rs. 60,000
Office expenses, electricity, water etc..	Rs.10 and 12 thousand pm for rural and urban, respectively	Rs. 120,000	Rs. 200,000
Maintenance of building and equipment etc.		Rs. 150,000	Rs. 250,000
Rent and/or amortisation		Rs. 200,000	Rs. 300,000
CHW honorarium	Rural 1 CHW per 500 population @Rs. 1,000 pm per CHW; Urban 1 CHW per 1500 population @ Rs. 1,250 pm per CHW	Rs. 480,000	Rs. 495,000

<sup>23</sup> This is updated to 2007 prices from calculations originally done for a Jan Swasthya Abhiyan discussion on the National Rural Health Mission

Other costs		Rs. 130,000	Rs. 195,000
Total non-salary		Rs.2,000,000	Rs.3,500,000
Total primary care cost per unit		Rs. 8,000,000 (Rs. 400 per capita)	Rs.9,500,000 (Rs. 190 per capita)
Total primary care cost for country	Rural: 750 million population needing 37,500 PHCs; and urban 350 million population needing 7,000 PHCs	Rs. 300 billion	Rs. 66.5 billion

2. **First level Referral Care<sup>24</sup>**

In rural areas for every five PHCs there would be one 50 bedded hospital and this would cost Rs. 400,000 per bed per annum or Rs. 20 million per such hospital. As per this ratio we would need 7500 rural hospitals and this would translate into Rs. 150 billion for the country as a whole.

In urban areas for each 10 PHCs one 200 bedded hospital would be needed and this would cost Rs. 500,000 per bed per year or Rs. 100 million per hospital. As per this ratio 700 such hospitals would be needed and this would translate into Rs. 70 billion for the country as a whole.

3. **Secondary and Tertiary care / Teaching Hospitals**

One such hospital per 2.5 million population, that is 440 hospitals of 500 bed each at a cost of Rs. 500,000 per bed per year translating into Rs. 250 million per hospital or Rs. 110 billion for the country as a whole.

Primary + First Referral + Secondary/Tertiary = Rs. 696.50 billion

4. **Other costs**

Capital @ 10 percent or Rs. 69.65 billion

Research and Data systems @ 4 percent or Rs. 27.86 billion

Admin costs @ 4 percent or Rs 27.86 billion

Audit costs @ 2 percent or Rs 13.93 billion

Grand Total would be Rs. 835.80 billion or Rs. 760 per capita and this works out to 1.9 percent of GDP. This calculation excludes medical education and medical research, which would be 15 percent and 10 percent of the total healthcare cost, respectively, amounting to an additional Rs.209 billion.

**Summary Table**

Type of Cost	Amount in Rupees billion
1. Primary care	366.50
2.First Referral Rural	150.00

<sup>24</sup>All higher level care would be on basis of referral from primary care providers, except in the case of emergencies. This should help rationalise higher levels of care as well as make it more efficient and cost-effective.

3. First Referral Urban	70.00
4. Secondary/Tertiary care	110.00
SUBTOTAL	696.50
5. Capital @ 10%	69.65
6. Research and data systems @ 4%	27.86
7. Admin @ 4%	27.86
8. Audit @ 2%	13.93
TOTAL Healthcare Cost	835.80 or 1.9% of GDP
Medical Education and Research	208.95
Grand Total (Rs. 950 per capita)	1044.75 or 2.4% of GDP

## Distribution of Costs

The above costs from the point of view of the public exchequer might seem excessive to commit to the health sector given current level of public health spending. But this is less than 3 percent of GDP at Rs. 950 per capita annually, including capital costs. The public exchequer's share, that is from tax and related revenues, would be about Rs. 800 billion or three-fourths of the cost. This is well within the reach of current resources of the governments and local governments put together. The remaining would come from other sources discussed earlier, mostly from employers and employees in the organised sector (social insurance), and other innovative mechanisms of financing. As things progress the share of governments should stabilise at 50 percent and the balance half coming from other sources. Raising further resources will not be too difficult. Part of the organised sector today contributes to the ESIS 6.75 percent of the salary/wage bill. If the entire organised sector contributes even 5 percent of the employee compensation (2 percent by employee and 3 percent by employer) then that itself will raise close to Rs. 350 billion. In fact the employer share could be higher at 5 percent. The present initiative of expanding social insurance through a national legislation for the entire unorganised sector can help boost the social insurance contributions to the health budget. Further resources through other mechanisms suggested above will add substantially to this, which in fact may actually reduce the burden on the state exchequer and increase contributory share from those who can afford to pay. Given below is a rough projection of the share of burden by different sources:

Projected Sharing of Healthcare Costs (2007 Rs. in millions)						
Sl.N	Units	Source Type				Total
		Central Govt.	State/Municipal	Social/Insurance	Other Source	
1	Primary Care	120000	140000	80000	26500	366500
2	Basic Hospitals	20000	100000	85000	15000	220000
3	Secondary/Tertiary Hospitals	30000	50000	25000	5000	110000

4	Medical Educ/Research	150000	50000	7000	1950	208950
5	Audit/ Info. Mgt./ Soc.Research	20000	15000	6790	0	41790
6	Administrative Costs	10000	10000	7860	0	27860
7	Capital Costs	40000	20000	9650	0	69650
	All Costs	390000	385000	221300	48450	1044750
	Percentage to Total Costs	37	37	21	5	100

## **Conclusions**

We are at a stage in history where political will to do something progressive is conspicuous by its absence. We may have constitutional commitments and backing of international law but without political will nothing will happen. To reach the goals of right to health and healthcare discussed above civil society will have to be involved in a very large way and in different ways.

The initiative to bring healthcare on the political agenda will have to be a multi-pronged one and fought on different levels. The idea here is not to develop a plan of action but to indicate the various steps and involvements that will be needed to build a consensus and struggle for right to healthcare. We make the following suggestions:

- Policy level advocacy for creation of an organised system for universal healthcare.
- Research to develop the detailed framework of the organised system.
- Lobbying with the medical profession to build support for universal healthcare and regulation of medical practice.
- Filing a public interest litigation on right to healthcare to create a basis for constitutional amendment.
- Lobbying with parliamentarians to demand justiciability of directive principles.
- Holding national and regional consultations on right to healthcare with involvement of a wide array of civil society groups.
- Running campaigns on right to healthcare with networks of peoples organisations at the national and regional level.
- Bringing right to healthcare on the agenda of political parties to incorporate it in their manifestoes.
- Pressurising international bodies like WHO, Committee of ESCR, UNCHR, as well as national bodies like NHRC, NCW to do effective monitoring of India's state obligations and demand accountability.
- Preparing and circulating widely shadow reports on right to healthcare to create international pressure.

The above is not an exhaustive list. The basic idea is that there should be widespread dialogue, awareness raising, research, documentation and legal/constitutional discourse across the board

with various agencies of civil society involved like NGOs, trade unions, peoples movements, academia etc...

It is thus evident that the neglect of the public health system is an issue larger than government policy making. The latter is the function of the overall political economy. Under capitalism only a well-developed welfare state can meet the basic needs of its population. Given the backwardness of India the demand of public resources for the productive sectors of the economy (which directly benefit capital accumulation) is more urgent (from the business perspective) than the social sectors, hence the latter get only a residual attention by the state. The policy route to comprehensive and universal healthcare has failed miserably. It is now time to change gears towards a rights-based approach. The opportunity exists in the form of constitutional provisions and discourse, international laws to which India is a party, and the potential of mobilising civil society and creating a socio-political consensus on right to healthcare. There are a lot of small efforts towards this end all over the country, for instance the People's Health Movement or the Jan Swasthya Abhiyan. Synergies have to be created for these efforts to multiply so that people of India can enjoy right to healthcare. On the government front the UPA government of Manmohan Singh promises to restructure the public health system via one of its flagship programmes, the National Rural Health Mission (NRHM).

The preamble of the NRHM document states, "*Recognising the importance of Health in the process of economic and social development and improving the quality of life of our citizens, the Government of India has resolved to launch the National Rural Health Mission to carry out necessary architectural correction in the basic healthcare delivery system.... The Goal of the Mission is to improve the availability of and access to quality healthcare by people, especially for those residing in rural areas, the poor, women and children.*" (MoHFW 2005) This goal will be achieved by strengthening the three levels of rural healthcare – the subcentre, PHC and CHC. At the village/hamlet level a health worker called ASHA (Accredited Social Health Activist) will be appointed who will be the link worker for rest of the public health system in rural areas. Additional resource allocation and upgradation of the facilities at each level has been planned under the mission. However the budget heads for NRHM do not address the missing link in rural healthcare – medical care. They have mainly subsumed the erstwhile family welfare, RCH and national disease programme heads under the NRHM umbrella. In that sense the integration into comprehensive healthcare which the mission document talks about is atleast not reflected in the budget. Linked to this is the fact that allocations to rural health would become restricted to NRHM – and any other source of funds for rural health may get blocked. This is the usual consequence of verticalisation of any programme. And herein is the danger that NRHM may become an amalgamated vertical health programme for rural areas!

Thus the key issue in access to healthcare which even the NRHM fails to address is the mechanism for allocating resources. Resources are presently distributed on the basis of what is available, what can be procured and where they can be parked in terms of infrastructure, human resources, etc. and this is often done on an ad-hoc basis. Thus if the PHC is mandated to provide a package of services for which the requirements are defined and the funds needed for that are determined, the actual allocation of resources does not happen in terms of those requirements. What happens in reality is that the state for instance has a certain number of existing PHCs and for that it starts procuring



the human resources and other inputs needed and these have to be worked out on the basis of the available budget and rationing of resources across the board rather than in terms of what the PHC as a unit requires to function optimally. The consequence of such a mechanism is allocative inefficiency in the use of resources because the PHC may have a doctor but no nurse or inadequate allocation for drugs, etc. and this leads to the poor performance of the public health facility. Therefore to address this deficiency the mechanism of allocation of resources has to change to a system which meets the objective of the specific healthcare facility as discussed above. There should be no compromise on this. Unless this kind of a radical change is put in place all efforts, even enhanced budgets, would stop at mere tinkering with what exists. The discussions on NRHM strategising continue, especially on financial management and autonomy in decision making at the unit/programme level, and hence options are still open for influencing change.

To conclude, the NRHM should be used as an opportunity to work out a new health financing strategy, which devolves financial resources to local governments and uses a social audit framework to monitor its implementation. Only this will lead to structural changes and improvements in the health of the Indian people. But the government will not do this until healthcare becomes a political agenda and drives elections. Thus the civil society has to exert pressure from below. The initiatives of the Jan Swasthya Abhiyan, which has set in motion a campaign on right to healthcare, is one such move in this direction. The JSA has formulated a Peoples Health Charter, has mobilised groups in 18 states to support the campaign on right to healthcare, has collaborated with the National Human Rights Commission to conduct public hearings on denial of healthcare across the length and breadth of the country and is now actively engaging with the NRHM initiative to not only monitor its progress through community involvement but also use it as an opportunity to restructure health and healthcare in India.<sup>25</sup>

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<sup>25</sup> [www.phmovement.org/india/](http://www.phmovement.org/india/)

# The Case against Health Insurance

*Vinod Vyasulu\**

The idea behind health insurance is simple. In a given population, there will be at any time a certain number of people who are ill. This figure is fairly stable over populations for long periods of time. But one cannot predict who exactly in that population will be ill; this is uncertain. It is, therefore, possible to get large numbers of people to pay a defined fee that covers those in the paying population who fall ill against the risk of illness for a period of time, usually a year. If everyone covers himself or herself against the risk of illness, the amount collected will be large enough to meet the health costs of those who actually fall ill. This is the opportunity that companies have converted into a business— the insurance industry. In many parts of the world, it is huge.

The health insurance business in India is beginning to grow rapidly. Given the huge population, this can be really big business. The monopoly of the public sector has been broken, and a regulatory system has been set up. A number of private companies, with multinational partners, are becoming active. There are also non-governmental organisations (NGOs) promoting health insurance for poor people in various regions— this is called micro-insurance. There are other schemes like Yashaswini in Karnataka that works with the government. If one takes into account charitable activities—free eye surgeries, for example—this is an active field.

Various products are being designed and offered. Retiring civil servants, who are members of the Contributory Government Health Scheme, are now, on payment of a nominal fee, given cards that entitle them, for life, to access private hospitals when needed. This has given private hospitals a boost. Is this a good thing for the country and its people? This may seem like a surprising question to ask in a situation of rising healthcare costs and poor public service provision. Nevertheless it needs to be asked and debated.

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I would argue that health insurance represents a second best solution to the so-called middle class to protect itself against serious illnesses in a country where the government has failed completely in its responsibility to provide appropriate healthcare (preventive or curative) to its people. Seeing a business opportunity in this failure, the private sector has set up hospitals (these are even listed on stock exchanges) to provide standardised (“quality”) healthcare. There is even talk of “medical tourism” in which people from other nations come to India for treatment because it is cheaper than in their own countries!

### **Abdicating Responsibility**

These “corporate” hospitals are expensive and becoming more so everyday. Insurance, which manages risk in large populations, is one answer to this need for accessing expensive healthcare. The middle class is slowly going in for such insurance in order to be able to access these corporate hospitals when the need arises. The more the number of people do this, the more viable the insurance industry will be; but it also means that an important segment of the population is opting out of any state system of healthcare (which it sees no future for) because it can afford to do so. The tax concessions that the government is providing—both to encourage buying health insurance, and for investing in hospitals—suggest that it is ready to abdicate responsibility for healthcare provision.

This model is based on the experience of countries that have relied on private healthcare financed via insurance. The best example is the United States which believes that individuals not only have the right to make their own decisions, but that they must be encouraged to do so without state intervention. The result is a system in which the private sector provides healthcare as a business: doctors practise as professionals who provide their expertise for a fee. Hospitals provide institutional care on the same basis. And since this may be costly, insurance steps in to take advantage of the law of large numbers to protect those who join a scheme for a fee. It sounds perfect. But millions in the US have no access to this sophisticated health system!

In practice, there are many problems, as the debate on healthcare in the current presidential election in the US – in spite of Medicare and Medicaid – shows. For our citizens, the following are some of the relevant issues:

- Many people may think they are healthy, and likely to remain so. So they do not think it is worth paying a premium for covering something that may never happen. They see better returns for their money from other uses like mutual funds. This reduces the size of the insured population and may send up the cost for those who do insure.
- There are many who cannot afford the premium for comprehensive coverage. I am not referring only to those below the poverty line. Young people, starting out on a career, may find that the premiums that apply to the young and healthy are beyond their capacity –or willingness–to pay. The millions without insurance in the US show this is not an insignificant number even in wealthy countries.
- There are also many who do not qualify for insurance cover. Covering such risk is a business proposition, and companies try to minimise their risk. Thus those who most need insurance

cover often are not given such cover even if they are willing to pay a premium over the regular fee. Senior citizens are an example of this; those over 80 are not given insurance cover. Those who suffer from some health problem, for example diabetes, are often not given insurance cover, or are given a cover that excludes risks from diabetes. In such cases, the value of the cover is questionable, and many, for good reason, opt out, perhaps unhappily.

- In order to encourage more people to take up insurance, the government often passes legislation that requires firms to provide some form of health insurance for their employees. Firms argue this pushes up the cost of doing business and resist. Even when they do comply, this often applies only to “permanent” employees and many are left out.
- Those who do take up insurance, then find that premiums are high, that they rise every year, and that there are many things that are not covered by the policy. The “small print” becomes a big issue. Often, dental problems are not covered. Often, insurance does not pay for spectacles for those who may need them. And so on. Even after buying insurance, such people often have to spend not insignificant sums on healthcare.

Thus, coverage in a system that depends on people buying insurance is never complete. Many remain without cover, and these are often those who belong to the weaker and poorer sections of society who really need medical protection. For them, an episode of serious illness means disaster from which it is difficult to recover. Research in India has shown that medical costs are the single most important factor in pushing families below the poverty line.

There are also genuine problems in the insurance industry.

- Firms are afraid that people will hide their true health condition in taking up insurance (adverse selection) with the intention of passing on medical bills to insurance companies. There is also the new term “moral hazard” that refers to the attitude of some who do not behave responsibly because “the insurance is there to pay the bills”. Thus, elaborate systems of scrutiny are put in place. Ways of dealing with moral hazard lead to systems like co-payment, deductibles, etc, which reduce the scope of coverage for the ordinary person. Those who are ill, for no fault of their own, find they have to pay much higher premiums than the healthy. The companies argue that they have no option if they are to stay in business – and this could well be true.
- All insurance firms find it important to verify a claim for reimbursement of medical expenses. Often, this means patients have to go to “approved hospitals”. All firms want to ensure, correctly, that items not covered are excluded from payments they make. This results in the need for people who scrutinise and approve claims. Often, the work of such supervisors is judged by the savings they make for the company. The result is the growth of a huge bureaucracy, whose main role becomes that of finding fault in claims made so that they can be whittled down. Paper work and “following rules” become the key, not health cover. A private sector bureaucracy is no better than a public one! It could be worse!
- In a competitive environment, a system of insurance may tempt hospitals into what is called “padding” bills. Once they know that a patient is covered by insurance, they may charge higher rates, or include items that have not been provided. This is a common complaint in India. This

is not to accuse hospitals of unethical behaviour, but to recognise that accountants preparing bills often face pressures and temptations. It should come as no surprise that some give in to temptation.

In spite of these problems, many in India opt for health insurance cover. This is because as risk-averse individuals, they have no other way of protecting themselves against unexpected, big medical expenses because the state has failed spectacularly to invest in health over many decades. It is rational to protect oneself in this way even if the system is socially not the best.

The best system is one where the government—the State—takes up the responsibility for providing healthcare to its citizens, because this is not a short-term consumption expenditure, but a long-term investment in its people and their capacity to be productive citizens. Canada, Britain, Sweden, and many others have established such systems. They are financed by taxes, and are citizen entitlements. This is not to say there are no problems in these countries. There are different models at work in different countries. India should design its own, based on the best experience in the world.

That the State has failed spectacularly in providing healthcare, and opened the way for a private industry, does it mean that the state can never improve? Does it mean that we accept corruption and sloth as an unchanging given in our society? Does it mean that workable solutions do not – cannot – exist or that the State will always fail in service provision? The State in India has had many spectacular successes—when it sets its mind on a subject. We can – and must – move beyond this second-best solution in a sub-optimal world.

The debate should be about the kind of state health system that India should have. It should be about the design of such a system. It should be about proper incentives and institutional structures. It should balance out medical needs, technical requirements, costs, and huge distances – and many more issues that are India-specific.

For example, we have an agricultural policy that subsidises sugar – the consumption of which is not considered conducive to good health – or rice, but not cereals like jowar and bajra which are part of the traditional diet and much better for health. Could not agricultural policy be made consistent with good diet that is an important part of any health policy? To encourage good health habits we need to look beyond hospitals, though they are essential.

That the State must do all this is easy to say. Designing the system is the challenge. It is unfortunate we are taking the easy way out with private provision through insurance as against the better one of universal state coverage based on taxes. Failures of the past do not imply a failure to improve in the future, especially when there are examples of state successes. Is this challenge beyond us as a people and a country?

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# Government Health Spending in India

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**A**lthough Government of India has set a goal of increasing government health spending to 2-3 percent of gross domestic product over the next five years, even with optimistic assumptions, it cannot meet the stated goal. After analysing the recent trends in health spending by the centre and state governments this paper notes that sound fiscal targets for health spending should be based on identified outcomes and the resources needed to achieve them, which are largely lacking. It suggests that large and sustainable increases in government health spending will require more focus on the state's own spending as well as improving the capacity of states and districts to use resources for health effectively.

Over the last several years in India there has been a dramatic change in the national government's approach to the health sector. At the highest level – that of the prime minister and union finance minister – there have been public calls for increasing government health spending. New national schemes, under the banner of the National Rural Health Mission (NRHM) were launched in April 2005. One stated goal of these national schemes is to increase total government health spending from its previous level of about one percent of gross domestic product (GDP) to a targeted “2-3 percent of GDP” by 2012, the end of the Eleventh Five-Year Plan (GoI 2005a).

Recent studies provide strong support for the notion of increasing government spending on health in India. The global Commission on Macroeconomics and Health (World Health Organisation 2001) of which Manmohan Singh was a member, advocated for government health spending in lower income countries well above what India spends today, citing benefits for both growth and well being. India's own National Commission on Macroeconomics and Health (NCMH) (GoI 2005b) provided further home-grown support for increased government spending. NCMH also made a number of recommendations to improve the efficiency and effectiveness of government spending, and not just simply to increase the total amount spent on health.

While simple to understand, and tempting politically, setting benchmarks for spending levels is often not a good policy. This view is also reflected in the finance minister's call for more focus

on the outcomes of public spending. International comparisons for health spending and outcomes across lower income countries find rather weak links, suggesting that how well money is spent may be at least as important as how much is spent. To be sure, India is pursuing the matter on both fronts. The NRHM has introduced a number of new strategies to improve the impact of spending along with providing a vehicle for increased spending.

Since India's level of government health spending is quite low in absolute terms as well as in comparison to some other Asian countries, increasing government expenditure makes sense. But India's government health financing structure is complex, so achieving this goal is not simply a matter of greater central government allocation. This paper will examine recent trends in government health expenditure prior to and following the launch of the NRHM. We will examine the role of central and state government health spending. Finally, we will project trends in government spending to explore whether the goal of 2 percent of GDP (or more) is feasible and what might be done to put in place more, and more sustainable, government health financing.

### **1. Government Health Spending: 1999 to April 2005<sup>1</sup>**

In nominal terms the total government health expenditure (both centre and states) has increased from Rs. 20,117 crore in 1999-2000 to Rs. 27,704 crore in 2004-05, or by 38 percent<sup>2</sup>. In the per capita terms too, the total public health spending has shown an increase, even if modest, from Rs. 202 in 1999-2000 to Rs. 257. However, when these figures are recast in real terms, growth in per capita spending is very modest. For example, per capita spending increased from Rs. 202 to Rs. 215 during this period.

Certain key indicators show a decline in government health spending over this period. As a percentage of the gross domestic product (GDP) for example expenditure decreased from 1.12 percent in 1999-2000 to 0.97 percent in 2004-05. As shown in Figure 1, this decline is mainly due to a decline in the states' expenditure which fell from 0.84 percent of GDP in 1999-2000 to 0.69 percent in 2004-05 while centre's share remained more or less constant (between 0.26 percent and 0.29 percent of GDP) during the same period.

Declining government health expenditure can also be seen from the decline in the share of health expenditure of centre and states in the total government (centre and state) expenditure during 1999-2005 (see Figure 2). Here again the decline in the share of states' health expenditure in their total expenditure has been greater (from almost 5 percent in 1999-2000 to almost 4 percent in 2004-05) than in the share of centre's health expenditure in its total expenditure (from 1.7 percent in 1999-2000 to 1.45 percent in 2003-04).

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1 Figures reported here for government health spending do not include government spending on other programmes such as child nutrition and rural water supply through departments other than the departments of health. As such, they may not be strictly comparable to estimates of government health spending from other countries nor do they represent figures strictly comparable with complete national health accounts estimates of government health spending. However, the approach we have used is typically used in national discussions of health spending in India.

2 As discussed further below, there is some double-counting in these figures computed by simply adding centre and state health spending as some of centre's spending also gets reflected in states' spending. We believe this to be less than 5 percent of total government health spending.

Since states account for three quarters of all government health spending, any rise or fall in state's health spending influences total spending much more than centre's. States' spending accounted for nearly 78 percent of total health spending in the mid-1990s, but this has over the years declined to 71 percent in 2004-05.<sup>3</sup> In per capita terms, in 2004-05 the states spent around Rs. 182 while the centre spent Rs. 75 only<sup>4</sup>.

Not only are states reducing their healthcare spending effort in relation to total government spending, this seems to be a part of a larger reduction in state's social spending as well.

Thus, the overall picture up to 2004-05 is one of weak government effort. While government health spending has been increasing in nominal terms and increasing slowly in real and per capita terms, it has been declining relative to all government spending and relative to the size of the economy overall. Both centre and states have contributed to this weak effort, but states have shown less commitment to the sector.

## 2. Government Health Spending since April 2005

In April 2005, the prime minister launched NRHM, committing the national government to increased and more effective health spending. What has been the progress so far in achieving these goals?

Before reviewing the evidence, it is important to highlight differences in the quality of evidence on health spending available from earlier and more recent years. Up to 2004-05, we are able to report on actual expenditure. Starting with 2005-06, we are reporting based on a mix of different types of data including budget estimates and revised estimates, with some information on disbursements from the central government<sup>5</sup>. Even central government disbursement information may not represent actual spending, since the centre may report funds transferred to state governments or state health societies as disbursed which may not yet actually be utilised. These lags in expenditure information are likely to result in overestimates of spending, so what we are able to present is the most optimistic (upwardly biased) picture and may be revised downward as better information becomes available.

Despite these caveats, it is quite clear that government health spending since April 2005 has increased significantly. We estimate that total government health expenditure increased from Rs. 27,704 crore in 2004-05 to Rs/ 39,046 crore in 2006-07 or by 41 percent, its share of GDP also increased from 0.97 percent to about 1.05 percent during this period (Figure 4)<sup>6</sup>, a time of rapid increase in GDP (the denominator) as well.

3 The increasing share of centre in total government spending is an important development in recent years.

4 In comparison to the education sector, the centre's support to the health sector is much lower. In the most recent budget (2007-08), the centre allocated Rs 291 per capita or 0.71 percent of GDP to education while health was allocated Rs 186 or 0.45 percent of GDP.

5 For 2005-06, we use actuals for the central government and revised estimate for the states, and for 2006-07 we use revised estimates for the centre and budget estimates for the states.

6 The figure for 2006-07 has been corrected for the double counting that creeps in by simply adding centre's health spending with states' spending.



The rise in government health spending post-April 2005 is reflected by the increase in the share of health expenditure of total governmental expenditure (state and central). This is shown in Figure 5.

The increase is evident in per capital terms and real terms. Nominal per capital expenditure has risen from Rs. 257 in 2004-05 to Rs. 351 in 2006-07, three times the increase in the preceding period. In real terms, it has increased from Rs. 215 to Rs. 268.5<sup>7</sup>.

How can we be sure that a distinct upward trend post 2005 is real and not due to the use of mixed bag of data, i.e. budget estimates, revised estimates and actual disbursements? Well, over the five-year period (between 1999-2000 and 2004-05) actual health expenditure by the centre increased only by about 38 percent but the same increased by about 19 percent in 2005-06 alone. The upward trend in public health expenditure post-2005 is also evident from the comparison of budget estimates over the pre-2005 and post 2005 period. For example, centre's health budget increased by only 69 percent over the five year period (from 1999-2000 to 2004-05) while the increase over three year period (from 2004-05 to 2007-08) has been 88 percent. The same is true of the states' health budget. Furthermore, both at the centre and state level, the gap between budget estimates and actual expenditure may be declining in recent years due to the need for better fiscal planning to meet fiscal targets. Hence, there is a reasonable basis for inferring that the upward trend in public health spending in the post-2005 period is real.

These increases are due to a rise in both centre and state health spending. There are two factors behind the increase in public spending. At the central level there is the launch of the MRHM by the Government of India (GOI) which is in line with the GOI's commitment to increase public health spending with a focus on primary care from the present one percent of GDP to 2-3 percent of GDP over the next five years (GOI 2004a). The picture at the state level is more complex. For seven selected states, additional central budget support has come through the action of the Twelfth Finance Commission (TFC) which provided increased general budget assistance to the states earmarked for health. Increased health spending in some states may also reflect their increased commitment, recovery from previous declines in state health spending and general improvement in a state's fiscal situation<sup>8</sup>.

### **2.1 Increased Health Funding under NRHM<sup>9</sup>**

Against the backdrop of declining government funding to the health sector, the GOI launched the NRHM in April 2005. In fact, as we have shown, increased resources by the centre started flowing

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7 At 1999-2000 constant prices.

8 Gol envisages states' spending to increase by at least 10 percent every year. In fact Gol is trying to make it mandatory for states to increase their health spending by explicitly signing MoUs. Increased states' spending is perhaps also necessary to (i) benefit fully from the greater availability of central funding under NRHM, and (ii) to sustain activities undertaken through NRHM.

9 It is important to stress here that in this section we present figures, somewhat different from the previous section. Earlier we used a combination of budget and revised estimates and reported actuals. However, here, to compare disaggregated figures over time, we use only budget estimates to show trends. So, there are some differences in the values of broad indicators reported here and in the earlier section of the paper.

from 2004-05, a year before the launch of NRHM, whereas state's expenditure started to rise from 2005-06 onwards.

The NRHM repackages many of the existing health schemes of GOI as well as finances some new activities in a flexible, decentralised manner. As with all centrally-sponsored schemes, the NRHM relies on the states to implement existing and new initiatives. For example, earlier schemes of the department of family welfare such as the reproductive and child health programme (RCH), immunisation, contraception, information education and communication (IEC), training and research, area projects and other family welfare services are all included in the NRHM. Likewise, national disease control programmes which were previously with the department of health have now been made part of the NRHM. The new initiatives under the NRHM are mostly financed through what is called the "mission flexible pool" which provides for a new cadre of community health workers called Accredited Social Health Activists (ASHA), upgradation of health facilities (community health centres – CHCS and public health centres – PHCS) to first referral units (FRU) and facilities meeting the new Indian public health standards (IPHS), constitution of patient welfare committees called Rogi Kalyan Samiti (RKS) and district hospital management committees, mobile medical units, untied funds for sub-centres; preparation of district action plans and so forth. These activities would continue up to the end of Eleventh Plan (2012). Over 60 percent of all central government health allocation is now routed through NRHM.

There have also been some changes in the centrally sponsored schemes now falling under the NRHM umbrella. The earlier RCH programme (RCHI) funded a fixed set of activities. Under the NRHM the earlier form of the GOI's reproductive and child health programme is being phased out. In RCH2, most activities are funded through an RCH flexible pool which supports decentralised planning and flexible programming by the states.<sup>10</sup> The flexible pool also incorporates "pooled" funds of external funding agencies such as the World Bank and Department of International Development (DFID).

Fund flow under the NRHM reflects some important changes which also affect our ability to monitor expenditure. Most NRHM funds are routed through state health societies, which have been restructured to incorporate a number of earlier programme-specific societies. But part of NRHM funds also flows through the state treasuries and are reflected in the state health budget. Therefore, adding state spending on health to central spending may overestimate state and the total government health spending. To be consistent, the part of NRHM that flows through the treasury route must be deducted from state spending before the latter is added to central spending. In our analysis of NRHM funding, we try to make this correction.

A few points are noteworthy about centre's and states' allocations between 2004-05 and 2006-07. One, while much of the increase in NRHM allocation during 2005-06 is on account of the increase in allocation under existing budget heads, in 2006-07 the major increase has been on account of the mission flexible pool - which provides for much of "new" funds to be distributed to the states. Two, centre's allocation to RCH is now getting shifted towards the RCH flexible pool, which allows

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<sup>10</sup> More information can be found in NRHM 2005-12, Mission Document [Gol 2005a].

for greater flexibility in state spending on RCH-related activities. Three, as shown in Table-3, allocation by centre and states during 2004-07 has increased total health allocation by only 0.1 percent of GDP, with the actual expenditure rising by less than this percentage. Though in real per capita terms, there is a significant increase in allocations from Rs 228 in 2004-05 to Rs 290 in 2006-07. This reflects the fact that the GDP is also rising rapidly during this period.

NRHM provides for a significant share in total state allocations. In focus states, the NRHM provides over one-fifth of total resources devoted to health by states; in the non-focus states NRHM provides around 16 percent. Statewise share of NRHM allocations is shown in Table 4.

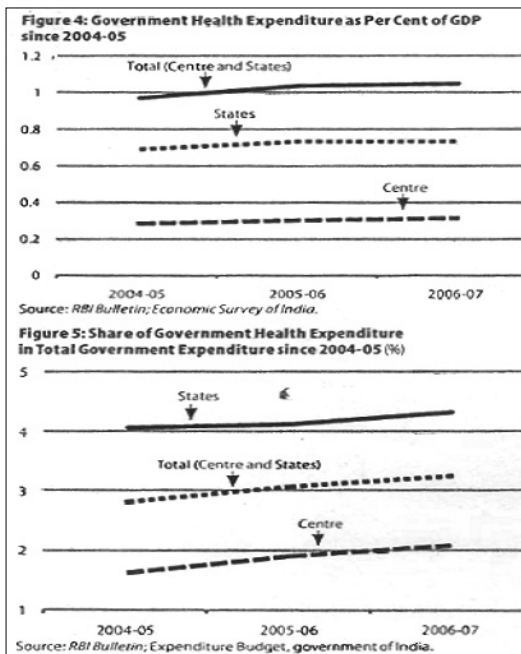
### 2.2 Twelfth Finance Commission Grants

Some states have also increased their own health sector spending due to the Twelfth Finance Commission (non-plan) grants to seven most needy states identified by the commission (Table 5)<sup>11</sup>.

The TFC provides for a significant share of state allocations, accounting for almost a quarter in Assam and Bihar and about 10 percent for Uttar Pradesh (Table 6). However, for Madhya Pradesh and Uttarakhand the share of TFC (non-plan) grants has been rather marginal (less than 3 percent of state allocations). For Assam, Uttar Pradesh, and Uttarakhand the share in TFC grants went down which implies that state own spending on health increased relative to the TFC grants. However, in Bihar, Orissa, Jharkhand and Madhya Pradesh the share of TFC grants went up, which implies that state spending decreased relative to TFC grants.

### 2.3 Funds Utilisation under NRHM

There is also a significant issue of weak uptake of NRHM funds by the states. The GOI'S expenditure statement for 2006-07 shows the budgetary provision for NRHM to be Rs 1,500 crore or about 17.5 percent higher than what it could actually spend or more appropriately release as what appears as expenditure by the centre need not necessarily be what is actually spent by the states. Even then, Table 7 shows a weak uptake under various NRHM sub-heads during 2006-07. Lack of uptake was



11 The identification is on the basis of the gap between normatively assessed certain minimum percentage of state's total revenue that a state should spend and a normative level of per capita expenditure on health. For information on the normative criteria used see the TFC report [Gol 2004b].

nearly Rs 600 crore on account of rural family welfare services (expenditure on sub-centres), around Rs 250 crore on account of RCH programme, and Rs 130 crore on account of national disease control programmes. All these facts point towards capacity issues in spending increased resources under NRHM. There are constraints preventing the NRHM from fully disbursing its allocations. For example, the amount budgeted by the centre may be higher than what the centre can actually allocate, based on states' project implementation plans (PIPS) and its own funds, and what the states are able to spend. In addition, the NRHM combines funds tied to specific uses determined by the centre with little flexibility with others that are more flexible untied grants. In addition, there is little flexibility to move funds across sub-heads. The result is overspending under certain sub-heads and underspending in others, as can be seen in Table 7. Finally, NRHM emphasises a new approach of need-based planning in a decentralised manner and offers some more flexible funds to support it. Managing this change at the state and district level requires a commitment from the states as well as new types of expertise which may take time to work effectively.

## 2.4 Distributional Aspects of Increased Financing under NRHM

NRHM has categorised states into two groups: focus states and non-focus states. All eight North-eastern (NE) states are focus states; so are 10 large and financially weak states. Table 8 lists NRHM focus and non-focus states along with their per capita public health spending. Even though the per capita public health spending of NE states as well as of Rajasthan, Uttarakhand, J and K, and Himachal Pradesh is higher than that of non-focus states, their inclusion in the list of focus states is due to access problems caused by their topography.

The states' own average yearly allocation (in the first two years of NRHM, i.e., 2005-06 and 2006-07) has been Rs 25,026 crore. During the same period, the average yearly NRHM allocations were Rs 6,050 crore or about 24 percent of all states' average yearly health allocations.

Large disparities exist between states in their own health expenditure. As shown in Figure 6, the NRHM allocations (which are made on the basis of population, public health infrastructure and disease epidemiology) modestly contribute towards greater equity in financing for the other focus states which include most of the larger, poorer states. As the other focus states in NRHM are larger states, increased funding in per capita terms to these states is much lower than to the NE focus states, although still somewhat higher than the non-focus states. In the first two years of NRHM (2005-07), annual per capita NRHM allocations have been Rs 160, Rs 59 and Rs 46 to NE focus, other focus and non-focus states while states' per capita health allocations have been Rs 352, Rs 202 and Rs 253, respectively.

The share of NE focus, other focus and non-focus states in states' own total allocation has been around 6 percent, 41 percent and 53 percent respectively, while their respective share in total population has been 4 percent, 47 percent and 49 percent. NRHM allocates 11 percent, 49 percent and 40 percent of total NRHM allocation respectively to NE focus, other focus and non-focus states and thereby tends to make public health spending more equitable in per capita terms.

**Table 3: Centre's and States' Health Allocations (Rupees in crore)**

Centre's	2004-05	2005-06	2006-07
I Health	2687.9	4458.8	4260.8
II Family welfare (FW)/NRHM*	5524.7	6519.2	8285.6
III AYUSH	225.73	405.98	447.89
Centre's total (I+II+III)	8438.3	11384.0	12994.3
States' total**	20980.3	24669.7	29137.3
Centre's and states' total	29418.6	36053.7	42131.6
Population	107.9	109.6	111.2
Per capita public health allocation (nominal)	272.6	329.0	378.8
Per capita public health allocation (real)	228.1	263.6	289.8
GDP (current prices at factor cost)	2843897	3200611	3717500
Share of health allocations in GDP	1.03	1.13	1.13

\* NRHM programme includes National Disease Control Programmes too which was previously (till 2004-05) included in Health. To make Health figures comparable over this period, amounts budgeted for National Disease Control Programmes under NRHM have instead been included in Health.

\*\* Figures for 2004-05 may be overestimated by maximum of 5 percent on account of centre's grant for infrastructure maintenance.

**Source:** Expenditure Budget, government of India; *RBI Bulletin*: Statistical Abstract; *Economic Survey of India*.

However, lower utilisation of NRHM allocations in NE focus and other focus states tends to take away the equity advantage built into the programme for the focus states. Comparing NRHM allocations with actual spending for the year 2006-07 for which data is available suggests that non-focus states have better uptake of funds than focus states, and within focus states, resource uptake is better among other focus states than the NE focus states. This is evident from the per capita gap between NRHM allocations and actual spending; the gap is Rs 49, Rs 16 and Rs 9 among NE focus, other focus and non-focus states. Likewise, the gap between allocations and actual spending as percentage of allocations is 24, 23 and 16, respectively (Figure 7). These institution-related differences across states vitiate somewhat the effort to allocate more to the poorer states.

### 3. Projecting Public Health Spending

Data is now available for the first two years of NRHM' (2005-06 and 2006-07) and the mission is expected to run for another five years, through 2012, concurrent with the Eleventh Five-Year Plan. The GOI has made available estimates of the budget for NRHM during the plan period, incorporating a 40 percent increase each year going forward. Using this and other estimates we ask the question - can India achieve a government expenditure level of 2 percent of GDP by 2012?

Centre's health expenditure can broadly be grouped into NRHM expenditure and non-NRHM expenditure with the latter including expenditure on secretariat, health, international cooperation, provision for NE states and AYUSH. The centre proposes to increase NRHM expenditure by 40

percent every year from 2008-09 to 2011-12.<sup>12</sup> During the same period we assume that non-NRHM expenditure will increase by 10 percent every year. Depending on the assumptions made on the rate of growth of states' expenditure, we get different estimates of total government health spending as a percentage of GDP.

**Table 4: Statewise Total (States' Own and NRHM) Allocations to Health (Rs in crore)**

States	State Allocations*		NRHM Allocations**		Total Allocations		Percentage of <RHM Allocations in the Total	
	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06	2006-07
NE focus Arunachal Pradesh	54.7	73.1	28.0	31.9	82.7	105.0	33.8	30.4
Assam	546.3	929.9	255.8	513.2	802.0	1443.2	31.9	35.6
Manipur	67.9	89.3	38.8	53.8	106.7	143.0	36.4	37.6
Meghalaya	106.3	117.8	33.8	52.9	140.1	170.7	24.1	31.0
Mizoram	62.4	71.0	32.8	28.5	95.2	99.4	34.4	28.6
Nagaland	111.1	118.7	33.0	49.1	144.0	167.8	22.9	29.3
Sikkim	51.9	52.7	9.2	14.5	61.1	67.2	15.0	21.6
Tripura	199.3	206.4	52.5	66.4	251.7	272.8	20.8	24.3
Sub-total	1199.9	1658.9	483.7	810.2	1683.6	2469.1	28.7	32.8
Other focus states Bihar	1022.8	1094.1	418.5	599.2	1441.3	1693.3	29.0	35.4
Chhattisgarh	373.6	530.7	126.8	174.6	500.4	705.3	25.3	24.8
Jharkhand	844.1	920.6	167.7	229.2	1011.8	1149.8	16.6	19.9
Madhya Pradesh	929.8	1054.5	302.3	413.1	1232.2	1467.6	24.5	28.1
Rajasthan	1198.7	1234.5	290.8	407.9	1489.5	1642.4	19.5	24.8
Orissa	665.6	630.8	205.0	284.7	870.5	915.5	23.5	31.1
Uttar Pradesh	2638.8	4306.7	797.3	1142.7	3436.0	5449.4	23.2	21.0
Uttarakhand	360.9	536.7	54.2	71.9	415.0	608.6	13.0	11.8
JandK	580.1	638.2	59.5	65.8	639.6	704.0	9.3	9.4
Himachal Pradesh	328.9	362.6	51.4	59.4	380.3	421.9	13.5	14.1
Sub-total	8943.3	11309.3	2473.3	3448.5	11416.6	14757.8	21.7	23.4
Non-focus states Andhra Pradesh	1628.8	1923.9	302.7	420.1	1931.5	2344.0	15.7	17.9
Goa	132.2	146.7	6.7	9.5	138.9	156.2	4.8	6.1

<sup>12</sup>It is not clear if the yearly increase of 40 percent in NRHM budget will come entirely from the Gol or will the Gol fund 30 percent and ask states to fund 10 percent.

Gujarat	937.5	1059.1	333.8	318.5	1271.3	1377.6	26.3	23.1
Haryana	432.3	530.2	79.6	117.7	511.9	647.9	15.5	18.2
Karnataka	1190.0	1355.4	213.6	298.3	1403.6	1653.7	15.2	18.0
Kerala	1110.6	1332.6	127.2	177.2	1237.8	1509.8	10.3	11.7
Maharashtra	2037.7	2238.7	356.6	513.0	2394.3	2751.6	14.9	18.6
Punjab	725.9	905.0	83.7	128.4	809.6	1033.5	10.3	12.4
Tamil Nadu	1721.1	1895.4	239.3	338.6	1960.4	2234.0	12.2	15.2
West Bengal	1701.0	18.16.6	298.8	433.3	1999.8	2249.8	14.9	19.3
NCT Delhi	1002.8	1116.6	31.4	57.2	1034.2	1173.9	3.0	4.9
Sub-total	12619.8	14320.2	2073.3	2811.7	14693.2	17131.9	14.1	16.4
All states	22763.02	27288.43	5030.35	7070.32	27793.37	34358.75	18.10	20.58

\* Excludes infrastructure maintenance grants (now a part of NRHM) given by the centre to the states. These grants appear in state budget since these are routed through the treasury route. ■ \*\* Total NRHM allocations reported here are lower than given in Table 3 because some NRHM amount is to be spent at the central level. Source: RBI Bulletin; Statewise NRHM allocations obtained from ministry of health and family welfare.

Using three different annual growth rate of states' health expenditure, viz, 10 percent, 15 percent and 20 percent, the share of total government health expenditure of GDP is estimated to be 1.16 percent, 1.38 percent and 1.67 percent, respectively (Table 9, p 215). Thus, even with the most optimistic assumptions of 12 percent growth of GDP and 40 percent growth of NRHM spending, public health spending would not meet the stated goal of increasing the spending from the current level of 1 percent of GDP to 2 percent in the next five years, i e, by the end of Eleventh Plan (2012).

### Assumptions and Methodology

- For projecting states' health spending we use the actual expenditure figure for 2004-05 as the base figure. This is the latest year for which actual expenditure figures are available;

**Table 5: Twelfth Finance Commission Health Grants to Selected States (Rs in crore)**

	Pop 2004	2005-06	2006-07	2007-08	2008-09	2009-10	2005-10	Per Capita Aid INR
Assam	27.9	158.6	171.2	190.9	212.9	237.4	971.0	348.3
Bihar	87.7	289.3	322.6	359.7	401.0	447.1	1819.7	207.4
Jharkhand	28.4	57.4	64.0	71.4	79.6	88.7	361.0	127.2
Madhya Pradesh	64.0	28.9	32.2	35.9	40.0	44.6	181.6	28.4
Orissa	38.1	31.2	34.8	38.8	43.3	48.3	196.4	51.6
Uttar Pradesh	176.4	367.6	409.9	457.0	509.6	568.2	2312.4	131.1
Uttarakhand	8.9	10.0	10.0	10.0	10.0	10.0	50.0	56.0
Total	431.4	943.0	1044.7	116-3.7	1296.4	1444.3	5892.1	136.6

Source: Report of the Twelfth Finance Commission of India; *Statistical Abstract of India*.

**Table 6: Share of Twelfth Finance Commission Health Grants in Total State Health**

States Receiving	State Allocation 2004-05	State Allocation 2005-06	TFC Grants 2005-06	TFC Grant as % of State Allocation	State Allocation 2006-07	TFC Grants 2006-07	TFC Grant as % of State Allocation
Assam	681.9	627.9	158.6	>5.3	975.9	171.2	17.5
Bihar	709.31	1,146.2	289.3	25.2	1,228.3	322.6	26.3
Jharkhand	400.25	901.5	57.4	6.4	977.1	64.0	6.6
Madhya Pradesh	966.99	1051.0	28.9	2.7	1,165.6	32.2	2.8
Orissa	709.97	736.2	31.2	4.2	705.0	34.8	4.9
Uttar Pradesh	2,384.36	2,877.2	367.6	2.8	1561.2	409.9	9.0
Uttarakhand	319.74	378.4	10.0	2.6	556.5	10.0	1.8

Source: Report of the Twelfth Finance Commission of India; *RBI Bulletin*.

- For projecting centre's health spending we use budget estimates of 2007-08 since actual expenditure figures for the year 2006-07 especially the NRHM figures are not appropriate as these figures are constrained by the spending capacity of states and districts;
- We assume nominal GDP to grow at the rate of 12 percent per annum (7 percent growth in real terms and 5 percent annual inflation rate). This is the most conservative growth estimate in the Eleventh Five-Year Plan document;
- NRHM funds are partly routed through the treasury and partly through the state health societies. The part, notably infrastructure maintenance, which is routed through the treasury, is already reflected in the budget of health departments at state level, and accordingly already captured in the states' estimates. To avoid double counting, an estimate was made of the share of infrastructure maintenance in total NRHM allocations which was 31 percent during 2005-08. Assuming the share of infrastructure maintenance in NRHM allocations to remain at this level, 31 percent of projected NRHM spending was subtracted from projected states' spending to arrive at adjusted spending by the states.

These projections show that the government's stated goal to increase spending to 2-3 percent of GDP may not be based on realistic estimates. Achieving a year on year increase of 40 percent in central government allocations to NRHM alone is ambitious. In India's federal financing structure for health, states account for a much larger share of total government spending than the centre. As a result, even such large increased central allocations would still be insufficient to achieve the target of 2 percent of GDP using conservative estimates of GDP growth. Large sustainable increases in government healthcare financing will require much greater participation by the states or a significant restructuring of the centre and states' responsibilities in the sector.

It is also worth asking whether it is desirable to build a rapid, large increase of government health spending primarily on centrally-sponsored scheme mechanisms. Ultimately, the states must bear the burden of sustaining service delivery. Indeed, much of the additional NRHM budget provides support for recurring costs which in principle must be picked up by the states eventually.



## 4. Conclusions

We have examined carefully recent trends in government spending on health in India, in light of the GOIs calls for increasing that spending to “2-3 percent” of GDP in the coming years. The available information on government health spending shows clearly that spending was declining prior to 2004. The National Commission on Macroeconomics and Health reported this as a longer-term trend extending over decades [Rao et al 2005]. More recent data suggests that a significant part of this decline is due to reductions in states’ spending on social services overall and, within that, health spending. A decline in central spending relative to GDP also occurred, although in total terms this was smaller.

**Table 7: NRHM Budget Allocation and Expenditure: 2006-07 (Rs in crore)**

NRHM Sub-heads	Budget Allocation (BA)	Total Expenditure (TE)	Gap between TE and BA as Percentage of BA
National disease control programme	829.47	698.39	-15.80
Direction and administration	254.56	153.63	-39.65
Rural FW services	1,556.68	974.75	-37.38
Urban FW services	125	73.6	-41.12
Basic training for ANM/LHVs	66.8	37.34	-44.10
Maintenance and strengthening of HFWTCs	13.3	7.34	-44.81
Basic training for MPWs	8	4.36	-45.50
Strengthening of basic training schools	2.15	1.97	-8.37
Contraception	351.52	377.94	7.52
Area projects	216.27	120.96	-44.07
RCH programme	268.88	10.84	-95.97
Routine immunisation	345	228.82	-33.68
Pulse polio immunisation	1,049	1,064.61	1.49
RCH flexible pool of state PIPs	1,705.72	1,427.03	-16.34
Mission flexible pools	1,943.18	2,069.36	6.49
IEC	132.73	94.97	-28.45
Training institute under the centre	35.68	28.38	-20.46
Research	51.7	61.24	18.45
Other FW services	75.15	17.28	-77.01
Other schemes	2.64	2.39	-9.47
Total	9,033.43	7,455.2	-17.47

FW: family welfare; ANM: auxiliary nurse midwife; LHV: lady health worker; HFWTCs: health and family welfare training centres; MPWs: multipurpose health workers; PIPs: projected implementation planning. Source: NRHM Expenditure Statement provided by the Ministry of Health and Family Welfare.

Overall this trend has been clearly reversed in the last several years, primarily through increased allocations by the central government under the NRHM. Further increases are anticipated over the period of the Eleventh Five-Year Plan. However, our analysis suggests that, even with very optimistic assumptions, these increases will not be sufficient to attain the stated goal of even 2 percent of GDP by 2012.

There are two significant factors which explain this conclusion. First, in India's federal financing structure for government health services, states are the principals. Even with increased central financing, states still account for 70 percent or more of total government health spending. Simple arithmetic indicates that to achieve a doubling or tripling of spending primarily through increasing the amount contributed by a minority funder (the centre) would be tough going. For example, a 10 percent increase in states' expenditure is equivalent to, other things being equal, a more than 30 percent increase in the centre's contribution. Therefore, any overall strategy to achieve sizeable increases in total government health expenditure should logically include a strategy to increase state's spending. To date, this strategy is not very apparent, except for the recent finance commission increases which, as we have shown, are not sizeable enough to have a major impact on the totals.

**Table 8: Average Per Capita State Health Spending 2002-05**

NRHM Non-Focus State	INR	NRHM Focus States NE Focus	INR
West Bengal	174.10	Assam	140.40
Haryana	174.34	Manipur	283.61
Gujarat	179.28	Tripura	306.60
Andhra Pradesh	192.12	Meghalaya	421.41
Karnataka	192.40	Nagaland	526.29
Maharashtra	195.05	Arunachal Pradesh	712.18
Tamil Nadu	207.00	Sikkim	881.91
Punjab	251.13	Mizoram	898.56
Kerala	270.21	Other Focus	
NCT Delhi	530.35	Bihar	84.76
Goa	806.10	Uttar Pradesh	115.04
Madhya Pradesh	136.73	Rajasthan	178.53
Chhattisgarh	141.02	Uttarakhand	252.04
Orissa	147.86	JandK	491.07
Jharkhand	154.51	Himachal Pradesh	557.11

The second factor is related to ability to spend. Most of the statements to date about increased government spending relate to budgets, not expenditures, whereas the historical review measures actual spending. There is already evidence accumulating that both centre and states may not be fully

able to disburse increased allocations in a timely way and that the lagging states may suffer more from this shortcoming, reducing the pro-poor state level allocational equity of increased NRHM budgets. A significant share of the large central budget increase for health in 2006-07 was returned to the treasury unused and an additional amount, unknown to us, may still be lying unspent in the states and districts. This suggests that government departments need to strengthen their ability to spend. To be sure, this is being done, but will it keep pace with the sizeable budget increases projected for the Eleventh Plan? This paper examined some fairly narrow questions concerning what government is spending, what has been the impact on spending of recent increases, and what are the prospects for achieving stated expenditure goals? But in conclusion, there are two larger questions we would like to raise for future consideration.

**Table 9: Projections of Total Public Health Spending (Rs in Crore)**

<b>Rate of Growth Year on Year (YoY) of NRHM and non-NRHM Expenditure is 40% and 10% Respectively</b>					
	2007-08	2008-09	2009-10	2010-11	2011-12
(i) NRHM	9,839	13,775	19,284	26,998	37,798
(ii) Non-NRHM	6,017	6,619	7,281	8,009	8,809
(includes expenditure on secretariat, health, international cooperation, provision for NE states and AYUSH) centre ( (i) + (ii))	15,856	20,393	26,565	35,007	46,607
Scenario 1: Compound Rate of Growth of States' Expenditure Is 10% (iii a) States	26,110	28,721	31,593	34,752	38,228
(iii b) States' adjusted	23,060	24,451	25,615	26,383	26,510
(Part of NRHM that flows through treasury is included in state budget; to avoid double-counting we must deduct this part from projected states' spending; since 31 percent of NRHM allocations during 2005-08 were to flow through treasury, the same is subtracted from projected states' spending to arrive at states' adjusted figure in all the three scenarios.)					
Total public health spending in scenario 1 [ (i) + (ii) + (iii b)]	38,916	44,844	52,180	61,390	73,117
Scenario 2: Rate of Growth (yoy) of States Expenditure is 15% (iv a) States	29,835	34,310	39,456	45,375	52,181
(iv b) States' adjusted	26,785	30,040	33,478	37,005	40,464
Total public health spending in scenario 2 [ (i) + (ii) + (iv b)]	42,641	50,433	60,043	72,012	87,071
Scenario 3: Rate of Growth (yoy) of States Expenditure is 20%					
(v a) States	33,898	40,677	48,813	58,576	70,291
(v b) States' adjusted	30,848	36,407	42,835	50,206	58,573
Total public health spending in scenario 3 [ (i) + (ii) + (v b)]	46,704	56,801	69,400	85,213	1,05,180
GDP	39,95,471	44,74,927	50,11,918	56,13,348	62,86,950

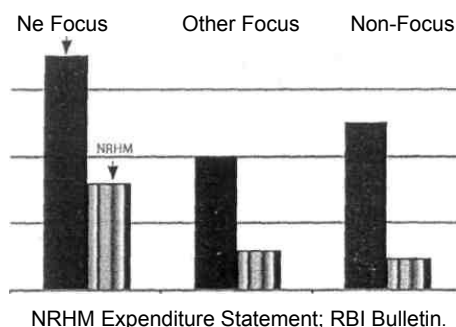
(assuming nominal rate of growth of GDP to be 12% per annum) Health spending to GDP ratio in scenario 1	0.97	1.00	1.04	1.09	1.16
Health spending to GDP ratio in scenario 2	1.07	1.13	1.20	1.28	1.38
Health spending to GDP ratio in scenario 3	1.17	1.27	1.38	1.52	1.67

Is the goal of 2-3 percent of GDP for government spending on health a sensible goal? A recent review of the question “what should a country spend on healthcare?” [Svedoff 2007] finds that usually quantified goals for spending are not based on much solid analysis. While one could comfortably argue, based on international comparisons and immense unmet needs, that government should spend more on health than it has in the past, setting a specific goal for government spending should really be based on an analysis of what the government wants to achieve with its spending and what it would cost to achieve it (including the relative effectiveness of government spending). The National Commission on Macroeconomics and Health made an important contribution to that discussion but left many questions unanswered. India has already set out on the road of increased spending. More work should be done to make explicit what increased government spending should buy in terms of better health and for whom it should buy it. An important related question is whether government is using the right institutional mechanisms to achieve its goals for increased allocations for health? The increased global interests in “pay for performance” and “results-based financing” reflects this realisation [Eichler 2006]. As India increases its government health spending it has an important opportunity to also change the way it spends money on health. There are some indications that this has been considered in formulating the NRHM, but in our view much more could be done. It may be important to focus more attention on these issues in the lagging states, where the traditional government mechanisms may not work as well as they do in the more advanced states.

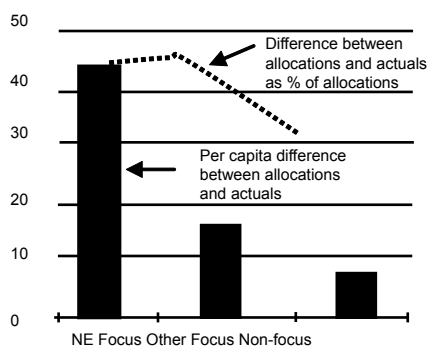
India’s federal structure and the centre-state “division of labour” in the government health sector is also an important factor to consider. If government health financing increases are primarily driven by the increases in central allocations, this will dramatically change the shares of health spending provided by centre and states. This is already visible in the increases to date. What should be the role of different levels of government in financing health and managing health expenditures? The current trend is for the centre to fund an increasing share of primary healthcare expenditures, with the states financing secondary and tertiary care except for national institutions. Is this trend desirable? Might it not reduce the states’ own accountability for those activities most likely to improve population health status? The political economy of government health financing needs more careful consideration in planning large increases in total government health spending.

These concerns suggest that increases in government health spending need to be matched by increased skills in government - in both centre and states -to plan and manage health spending wisely. In these boom times, increasing the budget may be the easiest part of the tasks ahead.

**Figure 6: Percapita Average Allocations: 2005-07 (INR)**



**Figure 7: Gap in NRHM Allocation and Expenditure in 2006-07 (INR)**



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# Health: Some Critical Gaps in Policy and Implementation

*Indranil\**

The UPA Government, which came with much enthusiasm and lots of promises for social sectors in general and specifically health in 2004, is re-elected for next 5 years. When we look back to assess and scrutinise the performance of this Government, we find that, things have hardly changed. Some may say that the last five years (2004-05 to 2008-09) were really short time to bring about a substantial change. Others may point out to the new initiatives and programmes which are there on paper then it is unquestionable to scrutinise the broad policy direction that the UPA has adopted to change the health sector.

Unfortunately, there is no significant reversal from the neo-liberal direction that the earlier governments had followed. More disturbing is the fact that there are clear cut signals of deterioration in outcome indicators reflecting the grim reality persisting in the health sector. On paper, there are talks about new initiatives, policies and measures and huge enthusiasm has been generated around them. The National Rural Health Mission (NRHM) has been launched, National Urban Health Mission is on the anvil, *Swasthya Bima Yojana* (Health Insurance Scheme) has been launched, a new National Drug Policy is being formulated, but the ground reality has barely changed.

**Table 1: International Comparison of Spending Pattern and Outcome Indicators**

Country	Per Capita Health Expenditure	Public Healthcare as Percentage of GDP	Private Healthcare as Percentage of GDP	Life Expectancy (in years)	Under-five Mortality per 1,000
India	\$ 80 in 2004	0.9	4.2	63.7	93
Sri Lanka	\$ 122	1.8	1.9	72.5	19
Canada	\$ 2,792 in 2004	6.8	2.8	79.3	7
United Kingdom	\$ 1,989	6.2	1.4	78.1	7

The researcher is associated with Centre for Budget and Governance Accountability.

Spain	\$ 1,607	5.4	2.2	79.2	6
South Africa	\$ 652	3.6	5.1	48.8	65
Costa Rica	\$ 562	4.9	2.3	78	11
Malaysia	\$ 345	2.1	1.8	73	8
Cuba	\$ 229	6.2	1.0	76.7	9

**Source:** UNDP Human Development Report, 2004

India has one of the worst health indices, even worse than a number of comparable countries in the world. It has the world’s highest proportion of malnourished children and women. It also has the highest load of preventable and communicable diseases. The health system in India still remains the most privatised in the world, causing indebtedness to a great extent (Refer to Table1.). Despite the commitment of the UPA to step up public investment to 2-3 percent of GDP, there has been no significant progress compared to the previous governments. Life expectancy is substantially low in comparison to countries with the equivalent socio-economic conditions; under-five mortality is also abysmally high. Health indicators for the marginalised sections of society-women, children, Scheduled Castes (SC) and Scheduled Tribes (ST), landless labourers, slum dwellers, are far below the national average. The recent National Family Health Survey (NFHS) data clearly shows the existence of strong inequity among income classes and caste groups in terms of access to reproductive health services.

### **Women’s Health: Some disquiets**

Women’s poor health status is inextricably linked to their social and economic inequalities, which restrict their access to and control over resources. Lower status in the family and the lack of decision making power regarding ill health, expenditure on healthcare and non-availability of healthcare facilities prevent them from seeking medical help.

Though the neo-natal mortality ratio is higher among men (female to male death rates are 0.83) the situation reverses in post-natal and subsequent periods where female to male death ratios are significantly higher than unity (Sarojini, 2006).

Even among women, there is significant inequity in access among different income classes. In the lowest wealth quintile, 41 percent pregnant women do not receive antenatal care, where as almost every pregnant woman (97.4 percent) from the highest income quintile receives antenatal care. Half of the pregnant women in the poorest income class do not receive Iron Folic Acid (IFA) tablets and only one in ten take IFA tablets or syrups for full ninety days (NFHS III).

Overall, only 3.8 percent pregnant women receive any intestinal parasite drug and access to it for women in better off sections are much higher than those in the lower strata (NFHS III).

Delivery of a child from the poorest quintile is 4.6 times less likely to be attended by a medically trained person than her well off counterpart (NFHS III).

Maternal Mortality Ratio (MMR) is 301 per 100,000 live births (SRS, 2001-03). In backward states, like Uttar Pradesh, the MMR is significantly higher.

In India, pneumonia and anemia constitute the major causes of death in the 0-4 age group and tuberculosis of the lungs pose a risk in the 15-50 age groups. The other causes of mortality include Bronchitis and Asthma, Gastroenteritis, diseases of the nervous system and maternal mortality.

The dietary pattern indicates that, in comparison to adult men, women consume approximately 1,000 fewer calories per day, far below the Recommended Dietary Allowance. Almost half of the girls, in the age group 15-19, are undernourished (NFHS III).

More than a third (36 percent) of women has a Body Mass Index (BMI) below 18.5, indicating a high prevalence of nutritional deficiency. The anaemia prevalence levels are more than two times higher among women than men with almost half of them with moderate to severe anaemia (NFHS III).

Although both men and women are equally exposed to communicable diseases, there are concrete evidences to show that women suffer far more than men in terms of decision making and access to treatment and services.

Approximately, 15 percent of all women suffer from mental illnesses against 11 percent of all men. Rights of women, who have been diagnosed with mental problems, are violated, based on medical opinion and they are certified and forcibly detained. They are denied to various social and political rights including the right to vote, right to enter into any kind of contract, and custody of child etc.

Violences against women and girl children at the household and community levels have deep impacts on their survival, dignity, self-esteem and overall health.

Sex ratios have witnessed an alarming decline for children in the 0-6 years of age group and stand at 927 girls for 1000 boys. Sex selective abortion of female fetus is a major challenge and accounts for approximately 11 percent of unsafe abortions in India.

Government programmes and policies are also insensitive to the needs of women, especially poorer women. The burden of population stabilisation solely falls on poor women, as they are believed to “produce irresponsibly”. Though the government claims to focus extensively on women in reproductive age group, most of them do not get proper ante-natal care; even some of the common reproductive health problems are severely ignored in government programmes and policies.

The era of globalisation, marked by unemployment, depleting wages, rising healthcare costs, hazardous working and living environment, has enormous impact on working class in general, and women specifically.

In the following sections, we would like to identify the key issues concerning the provision of primary healthcare in India. We have identified three critical policy gaps, which need to be addressed immediately. These are firstly strengthening primary health institutions with a comprehensive view on necessary infrastructure, required human resources, basic amenities and critical elements like medicine and equipments; secondly, the issue of financing universal healthcare pointing out to the level and quality of investment made; thirdly, an overall review of the ongoing policy interventions.

## **I. Strengthening Primary Healthcare**

### **Need to Step-up Investment on Rural Health Infrastructure**

The lack of proper primary healthcare infrastructure in rural areas is one of the major impediments in the provision of universal healthcare in India. Primary healthcare infrastructure has been developed as a three tier system with Sub-Centre (SC), Primary Health Centre (PHC) and Community Health Centre (CHC) being the three pillars of the primary healthcare system. The progress of Sub-Centres, which is the most peripheral contact point between the primary healthcare system and the community, is a prerequisite for the overall progress of the entire system. As on March, 2007, for 5,111 people there exists one Sub Centre, whereas there is one PHC for 33,191 people and one CHC for 1.83 lakh people.

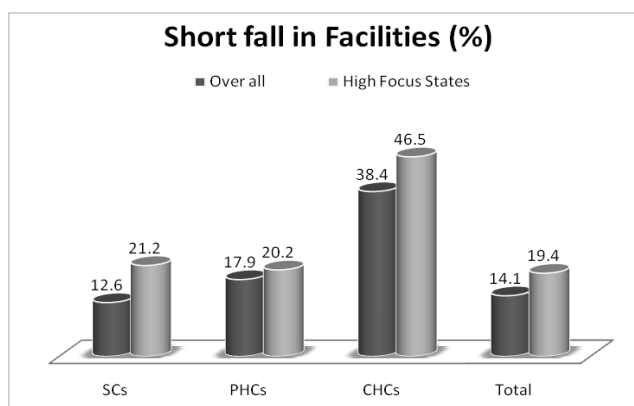


**Table 2: Rural Health Infrastructure: Norms and Status**

National	Norms		Present Status
	General	Tribal/Hilly/Desert	General
Rural Population (2001) covered by a:			
Sub Centre	5,000	3,000	5,111
Primary Health Centre (PHC)	30,000	20,000	33,191
Community Health Centre (CHC)	1,20,000	8,0000	1,83,000

Source: RHS bulletin, 2007, CBHI

Table 2 clearly suggests a huge shortfall in primary healthcare infrastructures in the country. According to the 2001 Census, the shortfalls in the rural health infrastructures come out to be 20,855 Sub-Centres, 4,883 PHCs and 2,525 CHCs. This means that, on the whole, there is a shortage of 12.6 percent Sub-Centres; 17.8 percent PHCs and 38.4 percent CHCs. The shortage is more acute in high focus states.<sup>1</sup> In the tribal areas though, the requirement of CHCs is relatively less compared to the other parts of the country. The shortfall in SCs and PHCs are relatively greater (Fig 1).

**Figure 1**

Source: RHS Bulletin, March 2007, CBHI.

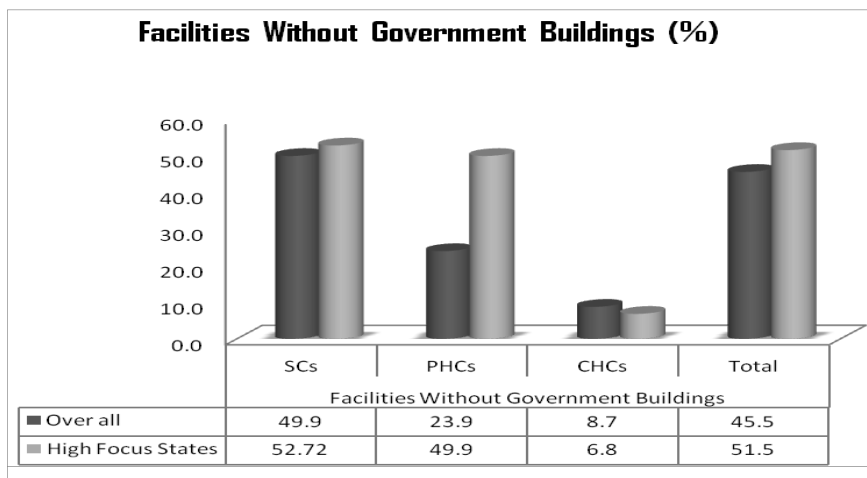
### Slow Growth in Creation of New Facilities

During the Seventh Plan period (1985-90), there was a surge in the creation of rural health infrastructure in India. Unfortunately, after the initiation of economic reforms, there was a gradual decline in growth rate, in every plan period. A look at the number of Sub-Centres functioning over the years reveals that, at the end of the Sixth Plan (1981-85), there were 84,376 Sub-Centres. The figures rose to 1,30,165 at the end of the Seventh Plan (1985-90) and to 1,36,258 at the end of the Eighth Plan (1992-97). At present, as on March, 2007, 1,45,272 Sub-Centres are functioning in the country.

<sup>1</sup> The high focus states in NRHM are Bihar, Jharkhand, Madhya Pradesh, Uttar Pradesh, Chhattisgarh, Rajasthan, Uttaranchal, Jammu and Kashmir, States of Northeast and Sikkim.

Similar progress can be seen in the number of PHCs which was 9,115 at the end of the Sixth Plan (1981-85) become almost doubled to 18,671 at the end of the Seventh Plan (1985-90) and rose to 22,149 at the end of the Eighth Plan (1992-97). As on March 2007, there are 22,370 PHCs functioning in the country. In accordance with the progress in the number of Sub-Centres and PHCs, the number of CHCs has also increased from 761 at the end of the Sixth Plan (1981-85) to 1,910 at the end of the Seventh Plan (1985-90) and 2,633 at the end of the Eighth Plan (1992-97).

**Figure 2.**



Source: RHS Bulletin, March 2007, CBHI.

### Majority of the Healthcare Institutions Lack Basic Amenities

Existing institutions also lack basic amenities. About 50 percent of Sub-Centres, 76 percent of PHCs and 91 percent of CHCs are located in government buildings. The rest are located either in rented buildings or rent free *Panchayat*/voluntary society buildings. The shortage of government buildings in the high focus states is much higher compared to the national average. Half of the PHCs in the high focus states are not in government buildings (Fig 2). The situation is slightly better in tribal areas than the rest of the country, due to special emphasis through the Tribal Sub-Plan (TSP). As on March, 2007, in case of Sub-Centres, the overall 66,382 buildings are required to be constructed. Similarly, for PHCs and CHCs, 3,618 and 199 buildings respectively are required to be constructed. A substantial allocation is required to fulfil this basic minimum requirement.

**Table 3: Sub-Centres Operating Without Basic Facilities**

Sub-Centres Operating Without	ANM Quarter	Water Supply	Electricity	ANM	Health Worker (Male)
Percentage	50.7	29.6	25.5	4.8	36.2

Source: RHS Bulletin, March 2007.

A very few institutions have adequate support infrastructure, like quarters, water supply, electricity, etc. As Table-3 suggests, more than half of the Sub-Centres do not have any ANM quarters. It is well-recognised that given the nature of work of the ANMs, it is essential for them to stay close to the Sub-Centres. In the absence of lack of proper residential facilities, ANMs are required to travel to the Sub-Centres from their place of residence thus causing absenteeism and negligence of work. Water supply and electricity are crucial elements to ensure safe deliveries in Sub-Centres. Unfortunately, more than a quarter of them do not have electricity and almost 30 percent do not have access to water supply. More than one-third of the Sub-Centres do not have male health workers, thus creating difficulties for the ANMs in traveling or providing basic services.

Only 38 percent of total PHCs have the entire critical staff; whereas only 31 percent have the entire critical supplies (defined as 60 percent of critical inputs), with only three percent of PHCs having 80 percent of all critical inputs.

**Table 4: PHCs Operating Without Basic Facilities**

PHCs Operating Without	4-6 Beds	24 hr Delivery Facilities	Labour Room	Operation Theatre	Electricity	Water Supply	Motorable Roads
Percentage	39.1	77.8	49.8	55.7	5.7	7.9	10.5

Source: RHS Bulletin; March, 2007, CBHI.

The shortfalls in the health unit have continued from one plan period to another without necessary steps being initiated by the Centre and states in changing the situation. The Parliamentary Standing Committee on Health and Family Welfare has made several recommendations and observations on the necessity of bridging the gap through establishing the required Sub-Centres, PHCs and CHCs. However, their suggestions seem to have made no visible impacts. By the time the department wakes up to fill the shortfalls, requirement for more health units would be surely evident with growing population in the country.

**Table 5: Lower Attainment of Health Indicators among SCs and STs compared to National Average**

Indicators	SCs	STs	All India
Infant Mortality	66.4	62.1	41.5
Under 5 Mortality	88.1	95.7	74.3
Under-five children acutely malnourished	47.9	54.5	42.5
No ante-natal care during pregnancy (%)	25.9	29.4	22.8
Delivered by a skilled provider (%)	40.6	25.4	46.6

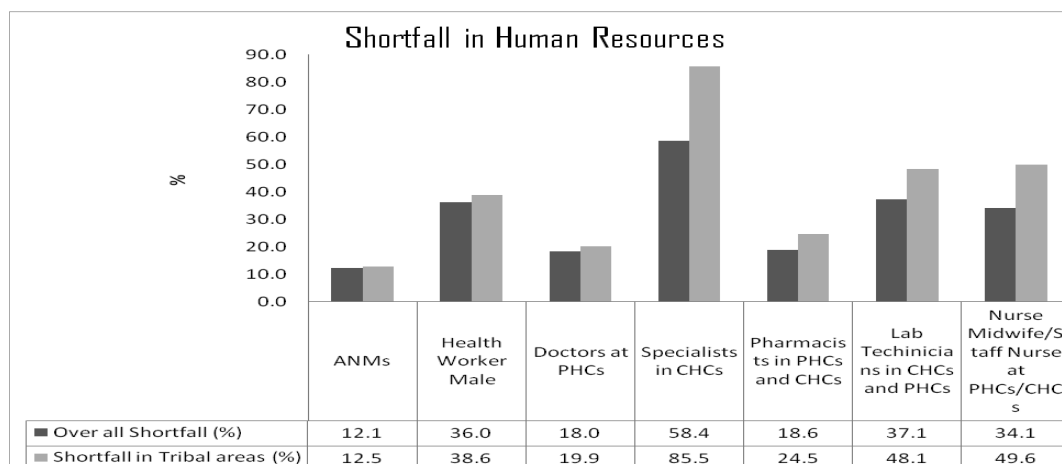
Source: NFHS III

## Huge Shortage of Human Resources

The shortage of human resources, at every level of service delivery, is one of the major impediments in delivery of comprehensive primary health services. Though, certain efforts have been made by the Centre to fulfil the ANMs vacancies in recent years, still there exists a huge shortage of human resources at all levels (Fig 3). The shortage is more acute for posts like specialists at CHCs, male health workers, laboratory technicians and staff nurse. There is almost 60 percent shortage of specialists in rural areas; for the high focus states the shortage is as high as 80 percent. Generally, at every level, there is shortage of human resources but it is more in tribal areas as one fifth posts of doctors, almost half posts of staff nurse and lab technicians, and more than 85 percent of specialist posts are vacant in tribal areas.

Accredited Social Health Activists (ASHAs) are claimed to be one of the major innovations under NRHM. A huge number of ASHAs have been recruited in the last three years across India. In total, 6,31,855 ASHAs have been appointed, a majority of them in the high focus states (Table 5). Though the ASHAs are considered to be volunteers, they are provided with incentives for various activities like motivating and accompanying pregnant women for institutional deliveries, organising immunisation camps, etc. As of now, only 35.6 percent of ASHAs have been provided with the basic drug kit. Though majority of them have been trained at least once, more than one-fourth of them have not received the second module of training, whereas they are supposed to be trained for five modules. Studies done by *Jan Swasthya Abhiyan* (2008) have revealed that there are discrepancies in the selection process of ASHAs. Most of the time the consultative process is undermined and ASHAs are selected by ANMs/AWWs or local leaders.

**Figure 3**



Source: RHS Bulletin, March 2007, CBHI.

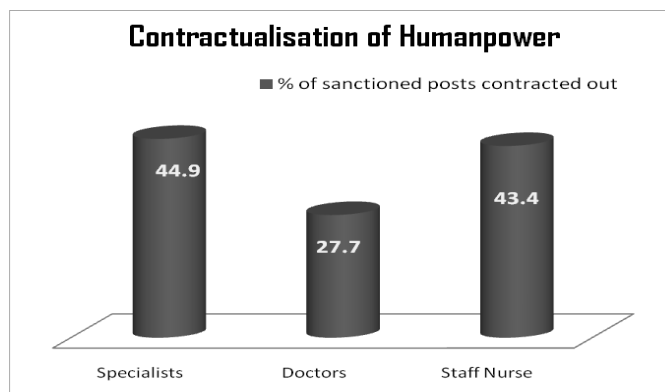
**Table 6: Appointment of ASHA/ Link Workers**

No. of ASHAs/ Link Workers Selected	Total	High Focus
No. of ASHAs in position (Dec 2007)	631855	488210
No. of ASHAs in position with drug kits	224951	171858
% of ASHAs having drug kits	35.6	35.2
Percentage of ASHAs who received training		
1st module	84.8	89.9
2nd Module	24.1	31.2

Source: MIS, NRHM, December, 2007.

### Contractualisation of Doctors and Specialists under NRHM

Along with vacancies in regular staff, significant posts of specialists, doctors and staff nurse have been contracted out. Almost 44.9 percent posts of specialists are presently filled by contractual doctors. Similarly 27.7 percent of posts of doctors and 43.4 percent of posts of staff nurses have been contracted out (Fig 4). Such measures of contractualisation have huge implications for the provision of comprehensive healthcare. While the specialists are, in general, consulted for institutional deliveries and OPD; an important aspect of public health gets grossly neglected.

**Figure 4**

Source: MIS, NRHM, December, 2007

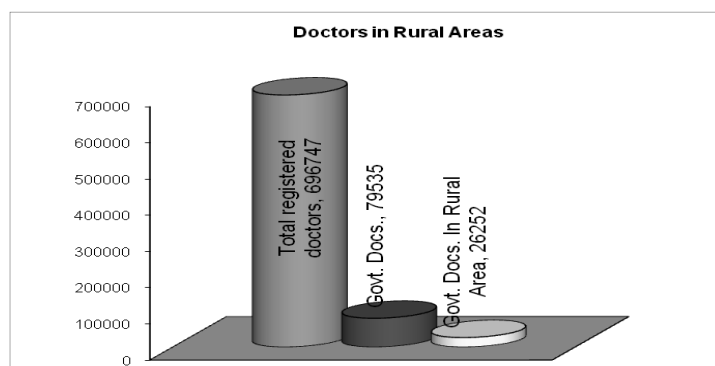
Further, the restriction in NRHM guidelines on recruitment of permanent staff has worsened the situation. On the one hand, states are tied down by unjustified ceiling on expenditure through legislations like the Fiscal Responsibility and Budget Management Act (FRBM) which prevents them from recruiting regular staff; on the other hand, the huge amount of funds under NRHM remain unutilised due to absence of critical staff at all levels. Some states like Bihar and Rajasthan have privatised the process of appointing doctors. These are contractual positions offering very low

salaries. Some states like Gujarat are hiring private specialists for running health services. These raise doubts about the government's seriousness in recruiting doctors to run the public health system (JSA, 2008). Until and unless some measures are adopted to improve fiscal position of the states or fulfil human resource vacancies in crucial social sectors like health and education, universal access to such services will remain a distant dream.

### Very Few Doctors in Rural Areas

When we compare the scarcity of doctors in rural areas and overall availability of doctors, we find a huge mismatch. As many as 6,96,747 doctors are registered in India. But, out of them, only 79,535 (11.42 percent) are working in government facilities (Fig 5). Only a third of the government doctors, who constitutes merely 4 percent of all registered doctors, work in rural areas. Recently, there was a proposal by the Central Government to introduce rural postings of fresh MBBS graduates. There have been oppositions to this move from different sections of the medical fraternity. Some consider it as a very retrogressive measure. The other argument, which sounds more logical, is that placing fresh graduates in positions which require the services of experienced professionals will deteriorate the overall quality of services. Although there is a strong logic behind this, we cannot deny that some method has to be developed to encourage young graduates to join rural health services.

**Figure 5**



Source: National Health Profile, CBHI, Gol

At the same time we need to recognise that there has been no sincere effort, on the part of the Government, in creating and ensuring conducive working conditions for doctors and other health workers. There is an urgent need to provide a better incentive structure for health professionals particularly for those working in rural and difficult areas. This should be accompanied by a proper transfer policy and career opportunities in the form of promotions and non-medical service incentives (JSA, 2008).

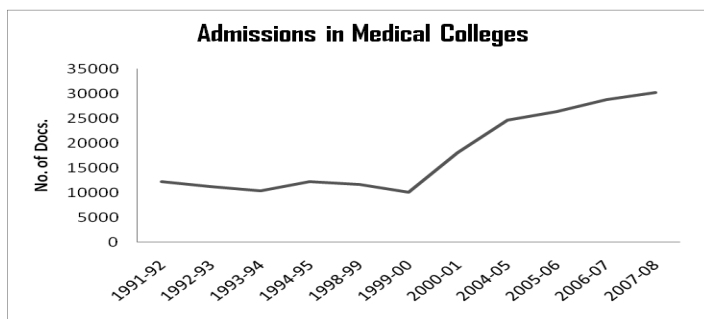
### Inherently Iniquitous Private Medical Education

The root cause of lack of human resources in rural areas can be looked into the growth of private medical education business. The Figure 6 clearly shows that, since 1999-2000, there is surge in

admissions in medical colleges. It will not be unrealistic to assume that this increase in medical admission has also led to an increase in the number of doctors being produced. Given that private medical institutions are heavily biased in favour of the relatively better-off sections of society, it also creates an elitist bias over the content of courses offered. Courses with a greater market demand are usually taught in interests in these institutions, whereas other aspects of public health and community medicine get neglected. Unfortunately, there have been initiatives from both the Central Government and the states to promote such education.

Most of the medical institutions including the public institutions are located in various metropolitan cities. The Standing Committee on Health and Family Welfare has raised some serious concerns on the existing skewed distribution of medical colleges in the country. The Committee has strongly recommended for a more pro-active role of Government in the setting up of medical colleges in various uncovered areas. The Committee also recommended that the Department need to finalise with fair amount of promptitude its policy on offering incentives for removal of regional imbalance in the development of medical colleges in the country. Furthermore, there is a shortage of teaching staff in medical colleges. Consequently, the standards of medical colleges are going down. To meet the shortage of staff, the Committee strongly feels that the present age limit of 65 years may be relaxed.

Figure 6



Source: National Health Profile, CBHI, Gol.

The seriousness of staff shortage can also be linked to the apathy from the medical fraternity to spread public-funded medical education and their resistance to create an army of semi-skilled professionals. The medical association has resisted all moves to recognise the Registered Medical Practitioners. The initiative to create nurse practitioners has been dumped. Similarly, training institutes for nurses and paramedical staff have either been closed down or become defunct. Until and unless a holistic approach is adopted to tackle the human resource shortage in rural areas, the problems cannot be solved.

The entire approach of the Government towards public health has been very vertical and restrictive, which has resulted in the present sorry state of affairs. While there have been some short-term measures like contractual appointment to fulfil the gap in human resources, almost no measures have been taken, keeping the long terms visions of comprehensive primary healthcare in mind.

Huge investment is needed to appoint all required human power, initiatives are required to be taken both at the level of the states and the Centre. The ban on permanent recruitment of staff through NRHM should be removed, states should be provided with extensive financial support from the Centre to fulfil vacancies in the important social services like health and education, proper incentive should be provided to medical professionals working in rural areas; Government should invest in setting up medical colleges and training institutes for nurses and other paramedical staff in remote areas. Some measures can be thought of in making the public services as compulsory for medical professionals. The skills of paramedical and nursing staff should be gradually upgraded.

### **Ensure Access to Essential Medicines**

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

The Report of JSA on 'Health Services and the NRHM' observes that despite availability of funds there exist large scale gaps and shortages in availability of essential medicines. The report also notes that under national disease control programmes and other programmes with external assistance, procurement of drugs are done through consultants, bypassing the usual routes of Medical Stores Organisation (MSO). As a result, certain basic drugs like IFA and chloroquine are not available for long periods in certain states. While the procurement mechanism is basically contracted out, the MSO remained underutilised. As per audit reports, out of procurement worth Rs 6,148.85 crore of medicines and materials between 2002 and 2007 the contribution of purchases by MSO is only Rs 171.05 crores amounting to only 3 percent of total procurement.

**Source:** JSA (2008): Health Services and the NRHM

## **II. Issues of Finance**

### **No Significant Improvement in Public Investment on Health**

Unfortunately in the five years of the UPA, the commitment to spend 2-3 percent of GDP on health remained as elusive as ever. Though in absolute terms, there have been some increase in expenditure of the Central Government, however, when adjusted with growth rate of GDP and inflation, the increase is meager. The total expenditure of the Central Government on health and family welfare



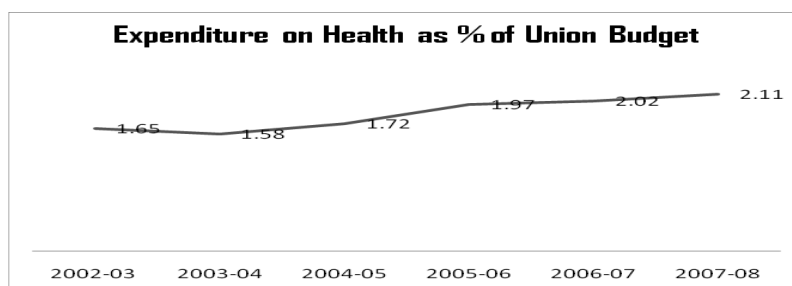
went up from Rs. 9,649.24 crore in 2005-06 to Rs. 11,757.74 crore in 2006-07 RE, which has further been increased to Rs. 15,854.88 crore in 2007-08 BE. However, the allocation is still around 1 percent of GDP at the national level.

### Expenditure on Health

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

The Central Government has recently accorded marginally higher priority to Health and Family Welfare in the Union Budget. In 2003-04, only 1.58 percent of the union budget was spent on health. The share of health gradually increased to 2.11 percent in 2007-08 (Fig 7). Nevertheless, the share is much less than what is expected from the Union Government, or what it does to other sectors like Defence.

**Figure 7**



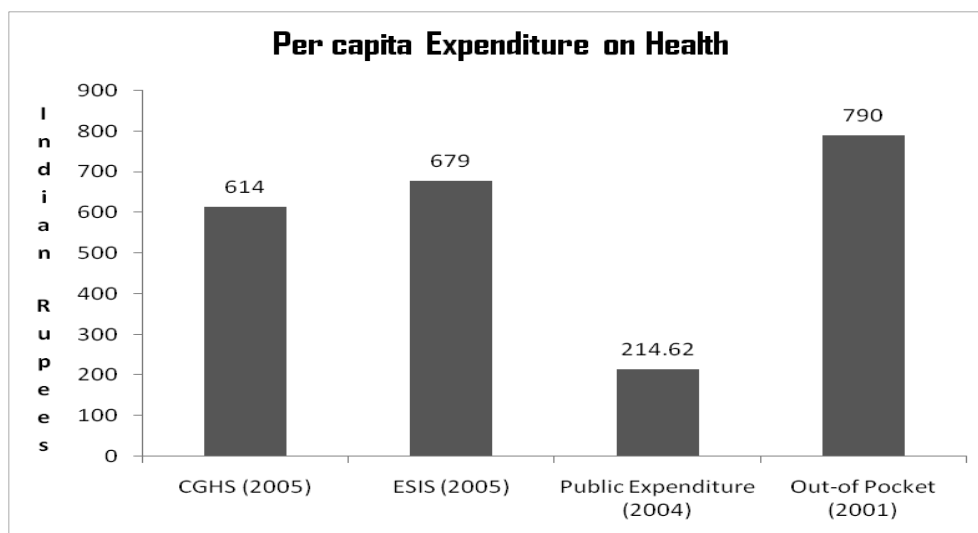
Source: Expenditure Budget, Vol I for various years, [www.indiabudget.nic.in](http://www.indiabudget.nic.in)

### Using CGHS and ESIS Levels of Public Spending as Benchmarks

India has one of the most privatised healthcare systems in the world, which essentially means that people spend from their own pocket to tide over health calamities. The National Commission on Macroeconomics and Health, in its report, calculated that the out of pocket expenditure on health was approximately Rs.790 in the year 2001. This constitutes about 85 percent of total expenditure on health. Several reports of NSS have also highlighted the fact that out-of-pocket expenditure causes indebtedness to a great extent; the proximity of costs involved in treatment keep most of the people, mostly women and the poor, out of the healthcare system. There is an urgent need to revert this retrogressive system. Stepping up public investment to a great extent can only be the solution to this issue. Per capita public expenditure on health was around Rs 214.62 in 2004 (National Health

Profile, 2007). But Government however, spends substantially higher on its own employees. For instance, under the Central Government Health Scheme (CGHS), the Central Government spends around Rs 614 per beneficiaries. Similarly, for the Employees State Insurance Scheme (ESIS) the government spending per beneficiary is around Rs 679. These schemes, though have certain loopholes in implementation, do cover most of the health expenditure of the employees of Central and state Governments. Given that public spending reduces overall spending, we can safely say that if the Central and State Governments together spend around the same level on CGHS or ESIS, the burden on out-of-pocket expenditure can be significantly reduced.

**Figure 8**



Source: Compiled from [www.mohfw.nic.in](http://www.mohfw.nic.in), [www.esic.nic.in](http://www.esic.nic.in) and National Health Profile, 2007, CBHI.

### Significant Under-utilisation of Funds

Under-utilisation of funds has remained a major concern for Ministry of Health & Family Welfare (MoH&FW). There has been a significant increase in under-utilisation of funds in the last few years. For 2006-07, the BE allocation of Rs. 11,305.00 crores had to be brought down to Rs. 10,000.00 crores at the RE stage. By the end of financial year 2006-07, the Department was able to utilise at least Rs.9, 295.55 crores against RE allocation of Rs. 10,000 crores. During 2005-06 also, the allocated funds also remained under-utilised. Against a total plan allocation of Rs. 9,332.00 crores, final expenditure figures were Rs. 7,926.55 crores.

Under-utilisation is relatively more for health than NRHM and Family Welfare (FW). Data available for February 2008 shows that more than 46 percent of the funds remain un-utilised under health activities. Under-utilisation under NRHM/FW has also increased significantly in the last few years (Fig 9).

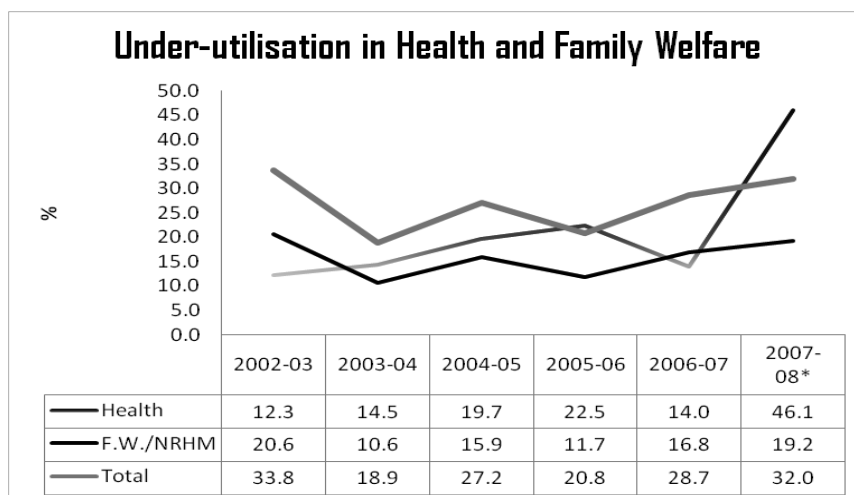
**Preliminary Findings of the study on District Fund Flow and Utilisation by CBGA, in UP and Chhattisgarh**

The major reasons for underutilisation of funds under NRHM are the following:

- A huge amount of funds have been spent during the last quarter of a year.
- Huge vacancies in staff at every level, including programme implementation and management cause significant under-utilisation.
- Certain demand-driven heads like the *Janani Suraksha Yojna* (JSY) or family welfare programmes receive more than allotted, whereas there is under utilisation in components like strengthening of Sub-Centres, untied grants etc.
- There are huge delays in submission of the audit reports, FMRS, Utilisation Certificates which increase delays in funds allotment and hence utilisation.
- Multiple channels involved in fund transfer cause delays.
- Lack of proper training of staff hampers utilisation of funds.

Source: CBGA (2008, forthcoming): Outlays to outcomes, A District-level Analysis of Public Spending on Children

**Figure 9**



Source: Outcome Budget, MoHFW, 2008-09, Gol

**Diversion of Plan funds to Non-plan Activities**

The Standing Committee on Health and Family Welfare has expressed its concern on the diversion of plan funds to non-plan activities in several reports. In 2005-06, the plan allocations of Rs. 9,332.00 crores were brought down by almost Rs.1, 000.00 crores (to Rs.8, 500.00 crores) at the RE stage and the actual expenditure reported was only Rs. 8,076.76 crores. While, every year utilisation of non-plan fund is more than the BE allocation, during the financial year 2006-07, Rs. 109.75 crores were likely to be diverted from plan to non-plan. This clearly depicts that the plan funds under health

schemes are being diverted to non-plan expenditures. As a result there remains a dearth of plan funds in Central Government institutions and schemes on health.<sup>2</sup>

### **Communicable Diseases Accorded Lesser Priorities in Union Budget**

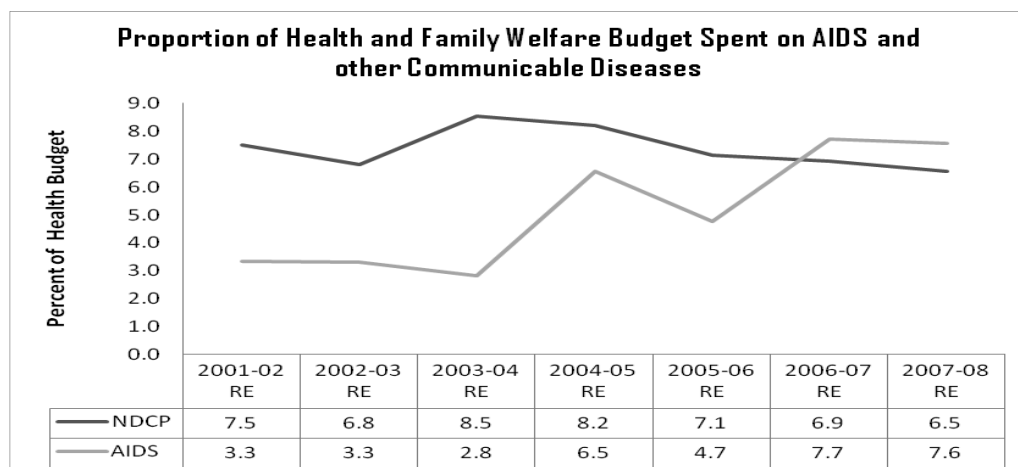
Communicable diseases are major killers in India. But unfortunately, they are accorded very low priority in the Union Budgets. Since 2004-05, there is a continuous decline in share of National Disease Control Programme (NDCP) in the Union Budget. At the same time, there has been substantial increase in expenditure on HIV&AIDS alone. In 2001-02 RE, Rs 199.7 crore were spent on HIV&AIDS, amounting to 3.3 percent of health budget. In 2007-08 RE, Rs 1,133.39 crores were allotted, which is 7.6 percent of union budget (Fig 10). Compared to this, the allocation on Disease Control Programmes was Rs 482.46 crores in 2001-02 RE, which has been consistently increased to Rs 980.48 crores in 2007-08 RE. This does not mean that the amount spent on HIV&AIDS should be brought down, but communicable diseases should also be accorded adequate priority, which as of now does not get reflected in the Union Budget. In a situation, where Pulse Polio Immunisation Programme alone gets Rs 1,100.58 crores, Rs 980.48 crore allotted to NDCP is no doubt a paltry sum.

#### **Communicable Diseases**

- Communicable, maternal and peri-natal and nutritional deficiencies contribute to the largest number of deaths in India (30 percent) (MoHFW Annual Report, 2006-07).
- Resurgence of various communicable diseases: Outbreak of Dengue during the year 2005, claimed 215 and 157 deaths of 12,754 and 11,985 cases respectively.
- Each day in India, more than 20,000 people get infected with the Tuberculosis Bacillus (TB), 5,000 people develop TB, and more than a 1,000 die—that is nearly one person per minute. The annual number of TB deaths in India is 4,21,000.
- More than 3,00,000 children leave school each year on account of parental TB.
- Proportion of Union Government's expenditure on health used for TB: 1.9 percent.
- The latest estimate of HIV prevalence is as high as 0.28 percent (NFHS III).
- 0.8 million malaria cases and 0.3 million of cases with 819 deaths were reported till 17<sup>th</sup> November, 2006.
- 1,689 confirmed cases of Chikungunya reported from 12 States/UTs till 2006.

<sup>2</sup> It is to be noted that for the health sector, plan and non-plan division is a little misleading. Because plan expenditures, which should actually be new investments in the health sector do not necessarily mean that since a large part of plan budgets, for example the entire RCH and Family Welfare budget, include routine line item expenditures like salaries, transport, office expenses etc. and very little new investment. At the same time, if we consider capital and revenue expenditures divisions, at least at the Union Government level there remains gross under estimations of capital expenditure. This is because the grants-in-aid to states from the centre is revenue expenditure for the centre but it may be spent by state to create new facilities and it will be shown in state's budget as capital expenditure. Thus, analysis of union budget for capital expenditure will lead to underestimations. Further, given the mechanism of spending on NRHM through health societies, which bypass the state budgets and goes directly to State Health Societies, capital expenditure shown in state budgets will also be an under estimation.

Figure 10



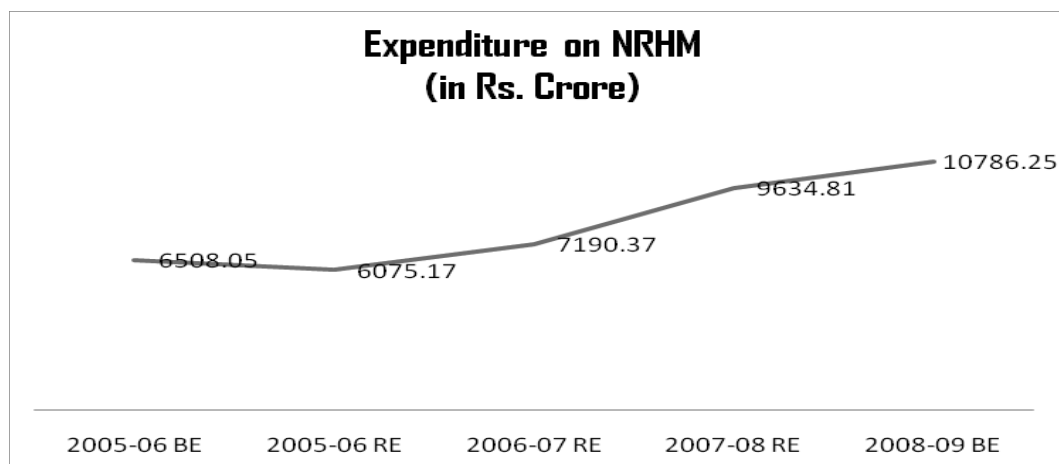
Source: Expenditure Budget Vol II, various years. [www.indibudget.nic.in](http://www.indibudget.nic.in)

### Slow Growth of Allocation on NRHM

The financing of NRHM so far reveals that it focuses more on selective interventions and the aspect of universalisation is neglected. According to the mission document, the initial allocation for NRHM for the 2005-06 would be Rs.6,700 crores, and in subsequent years 30 percent increase will take place. But for 2005-06, no separate head for NRHM was created and funds for the existing programmes were used. For 2005-06, plan outlay on NRHM was Rs.6,075.17 crores. It received an increased outlay of Rs.7,155.97 crores (RE) as plan funds in 2006-07. This has further been increased to Rs.9,801 crores (BE) in 2007-08 and Rs.10,786.25 crores. The non-plan outlays for these years remained almost stagnant at Rs.32.29 crores (2005-06 RE), Rs.34.40 crores (2006-07 RE), Rs.38 crores (2007-08 BE) and Rs 44.25 crores. Even the commitment to increase allocations by 30 percent every year has been violated, the increase has been 18-20 percent in nominal terms whereas the real increase is much lesser. Further, around 80 percent of the increase in allocations took place in four components: HIV/AIDS programme, Reproductive & Child Health (RCH), Medical Education and *AYUSH*; whereas strengthening of the PHC infrastructure remained grossly neglected.<sup>3</sup>

<sup>3</sup> Funds under NRHM are provided to the State Health Societies, conditional to the approval of Programme Implementation Plans (PIP) for each state. The RCH Flexible Pool and Mission Flexible Pool for Part A & B of the PIP, through which flexible funds are provided to SHSs to spend on their own priorities, are within the broad guidelines of the NRHM.

Figure 11

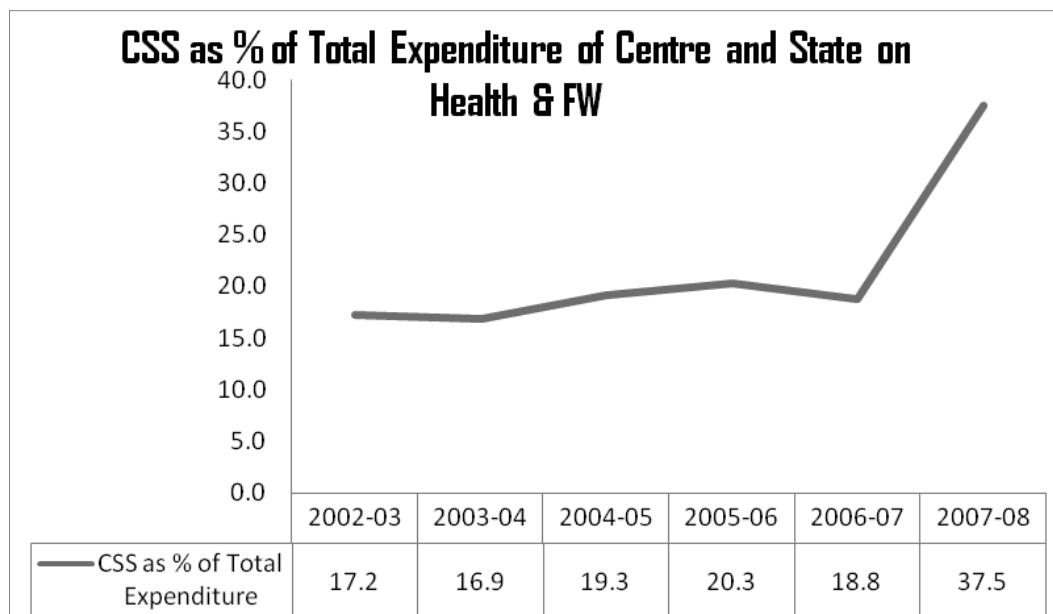


Source: Expenditure Budget Vol II, various years. [www.indibudget.nic.in](http://www.indibudget.nic.in)

### **Increasing Influence of Centrally Sponsored Schemes (CSS) in Public Spending**

There is an ever growing influence of Centrally Sponsored Schemes in health in recent years. The schemes like NRHM, the Vertical Disease Control Programmes (VDCP) and RCH, which are financed partially or fully by the Centre, and implemented by the States, have gained increasing influence in the finances of healthcare. In 2002-03, even though only 17 percent of the Health Budget of the Centre and the States were allocated to CSS, there is a substantial increase since 2006-07. In 2007-08 RE as much as 37.5 percent allocation is through CSS only (Fig.12). This clearly reveals the tendency of centralisation in healthcare spending. Furthermore, various major CSS by pass the state budget, and are routed through different implementing societies, thus leaving very little choices to states in spending. The increasing influence also reveals, in some sense, the inability of the states to step up public investment on health. As Public Health is a state subject, it makes imperative that the Centres devolves more funds to the States to spend in accordance to their priorities.

Figure 12

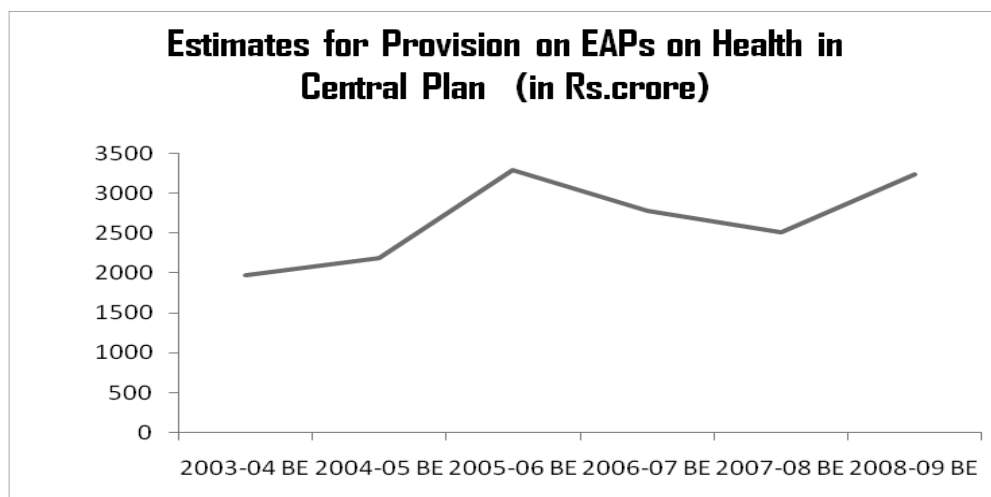


Source: Expenditure Budget Vol I, various years

### The Growing Influence of External Agencies

The Standing Committee on Health and Family Welfare in its 21<sup>st</sup> report registered strong objection over the practice of including external assistance in the gross Budget of the Department. In 2007-08 BE the provision for Externally Aided Projects in the Central plan was Rs 3,237.71core (Fig 13). This is an increase of Rs 723.43 cores over the previous year. The Committee observed that if the practice of including external aid in domestic budget continues, then the commitment of the Government to raise the allocation in the health sector to 2-3 percent of GDP will remain only on paper and not be realised in actual practice. Moreover, the Committee also felt that the financing the non-plan expenditure by external aid is not a healthy practice. Further, it should be noted that the total contribution of external aid in health is merely 2 percent (Report of National Commission on Macroeconomics and Health, 2005) and there is no reason to believe that we desperately need such meager amounts. Given that there is an enormous influence of these foreign agencies on our health policies and the little contribution they make to our finances, India should completely do away with these funds and develop health services according to its national requirements. Unfortunately, there is no such effort in this direction. Instead there is the gradual tendency to fall prey to the whims of these donors.

Figure 13



Source: Expenditure Budget Vol I, various years

### Some Facts on the Health Status of Children in India

- IMR is as high as 58 per 1000 live births (SRS- 2005).
- Neo-natal mortality rate remained static, dropping only four points from 48 to 44 per 1000 live births between 1995 and 2000.
- About 35 percent of the districts registered child sex ratios below the national average of 927 females per 1000 males.
- Three completely avoidable child deaths occur every minute; 18 lakh deaths of under-five children could be avoided every year (Planning Commission Tenth plan Document).
- 60 percent of deaths under five years of age are entirely preventable.
- Every third malnourished child in the world lives in India (MWCD Report, 2007).
- Every second Indian child is underweight (MWCD Report, 2007).
- Children born with low birth weight are 46 percent (NFHS-III).
- Four out of every five children are anemic (NFHS-III).

## III. Recent Policy Developments

The flagship programme of the UPA on health is the National Rural Health Mission (NRHM), which was launched in 2005. Its goal is to improve the availability of and access to quality healthcare by people, especially those residing in rural areas, the poor, women and children. Though it talks about comprehensive care, in reality the NRHM is an umbrella programme of existing schemes and programmes like RCH, Family Welfare, and National Disease Control Programme and apart from



Accredited Social Health Activist (ASHA) and *Janani Suraksha Yojana* (JSY), there is hardly any new initiative. The central motive of NRHM, disguised in the rhetoric of ‘dramatic improvement in the health system’ is family planning- which is regressive and coercive in any form and needs to be exposed and opposed.

There are problems of monitoring of the various schemes and benefits not reaching the people adequately. In principle, the NRHM talks about devolving powers to the PRIs and also at the district level, but little have been done in this regard. The policymakers, influenced by the logic of limited absorption capacity of the rural sector, do nothing to devolve powers to the villages. Fact of the matter is that human innovation is possible in setting up of rural healthcare delivery system if the local level Governments are empowered to plan and given autonomy to allocate fund in accordance to the needs of the locality.

It is also very important to note that the lack of absorptive capacity of the state is an outcome of the chronic lack of investments on fundamental issues of infrastructure, availability of drugs, skilled manpower, etc. Improving absorptive capacity is a long term process and will require sustained efforts towards strengthening management and institutional capacities, filling up of vacant posts, higher salaries, much greater expenditure on drugs and other consumables etc. Knee jerk responses like Public-Private Partnership (PPP) may not be the solution. They can rather aggravate the problem. The NRHM should aim for a universal comprehensive public health system with greater funding from domestic budget instead of a targeted approach based on donor funded priorities.

Another very significant policy announcement that has come up recently is the *Swasthya Bima Yojana* (Health Insurance Scheme) for BPL families in unorganised sector in all districts of the country. The broad contours of the proposed scheme are as follows:

- Contribution by the Government of India: 75 percent of the estimated annual premium of Rs.750, subject to a maximum of Rs. 565 per family per annum. The cost of smart card will be borne by the Central Government.
- Contribution by respective State Governments: 25 percent of the annual premium, as well as any additional premium.
- The beneficiary would pay Rs. 30 per annum as registration/renewal fee.
- The administrative and other related costs of administering the scheme would be borne by the respective State Governments
- The State Government while formulating the pilot project will determine the implementing agency on behalf of the State Government.
- Unorganised sector workers belonging to BPL category and their family members (a family unit of five) shall be the beneficiaries under the scheme.

Though the scheme is at nascent stage and deserves deeper study to comment upon, this can be seen as a welcome step given the sorry state of social security in the unorganised sector in India. At the same time, restricting the scheme to BPL families only leaves out a very significant section of unorganised workers, who may be marginally above BPL but definitely require social support against health difficulties.

At a time when influences of neo-liberal policies can be seen in every aspect of our life, it is quite unlikely that the health as a social sector will remain insulated from the consequences of rampant liberalisation. Further, liberalisation process which aims to weaken Government as an institution comes through Government initiatives. Health policy making in the last decade and a half, has revolved around the central theme of privatisation of services. Important policy measures adopted in the erstwhile NDA regime, like the National Population Policy 2000, National Health Policy 2002, National Drug Policy 2002, advocated rampant privatisation in every sphere. A lot of hue and cry has been made by the civil society (including NGOs), academia, and few political parties, against liberalisation. Unfortunately, the UPA has done nothing to revert back the liberalisation process; it has only made things little more subtle. Privatisation has been disguised under greater civil society involvement. Whether the private sector is really a part of civil society or not is a million dollar question, which nobody dares to answer.

### **Concluding Remarks**

For the last two decades, the main policy direction of the various national Governments was to pave the way for greater private participation. Development of a comprehensive healthcare system with the aim to provide universal access has been gradually narrowed down to provision of basic primary level care for a targeted section of the population. The notions of overall development of the health system with inter-sectoral linkages with issues of livelihood, employment, working conditions, availability of food, safe drinking water and proper sanitation, upheld in the Alma-Ata Declaration, have become things of the past. Donor-driven priorities in policies have created multiple vertical structures, even within the health system. As a result, several parallel machineries have been created, but the basic structure of public health has become weak. Under NRHM, the Government claims to strengthen health institutions has created a new army of volunteers, and bring about decentralisation, in a form which helps to infuse donor- driven priorities into planning and monitoring. It however, restricts any recruitment of critical human resources and neglects the issue of creating proper referral system up to the tertiary level of care. Similarly, issues of finances are also governed in a way as to streamline the flow of funds but overlooks the institutional gaps in strengthening capacities to utilise funds in a better way.

Another very disturbing phenomenon is the privatisation of health services. This has become so deep-rooted in the psyche of the policymakers and in the system, that sometimes it becomes very difficult to even identify the nature of it. For instance, the audit of CSS like NRHM through empanelled auditors is also in some sense a privatisation of audits, but remains disguised within the frame of CSS. The nature of privatisation ranges from contracting out hospital management services to private players; allowing deliveries through private nursing homes under JSY; allowing private institutions to provide medical education; empanelling 'super-speciality' nursing homes in CGHS; taking services of Government doctors by providing cheap land and special concessions in setting up private hospitals. All this happens without any regulatory mechanism in place. With the introduction of General Agreement in Trade in Services (GATS) and India's eagerness to adopt it, in the days to come, we are going to see greater and rampant privatisation with the involvement of Foreign Direct Investment. A strong health movement involving every progressive section of the society, with the vision of comprehensive and universal public health system, can only bring about radical changes.

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**PART FOUR**  
**RIGHT TO WATER**

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# 24/7, 'Privatisation' and Water Reform: Insights from Hubli-Dharwad

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The last decade has seen a wide range of changes in the water sector in many parts of the country. Changes include the handing over of management of irrigation systems to water users' associations (WUAs), a move from supply-oriented to demand-oriented drinking water schemes, an emphasis on people's contribution to costs, greater power to local bodies, the setting up of regulatory bodies, the involvement of private corporate players in specific aspects of water provision, and a growing emphasis on concepts such as 24/7 (supplying water 24 hours a day, seven days a week) and water audits. These, in turn, have been met with mixed reactions by different actors. On the one hand, the changes are believed to usher in much-needed improvements in the water sector; on the other hand, they are also perceived to have negative implications for equity and lead to greater private control over a critical resource. This paper attempts to contribute to the debate on water reforms by discussing a specific case study – the twin cities of Hubli-Dharwad in north Karnataka – that is a pilot for 24/7 as well as for the institutional and other changes required for private sector participation. While the reforms in this locale are still ongoing, the experience to date offers useful insights with respect to a number of dimensions which, in turn, can be useful in framing/adding to some of the important debates on water today.

The discussion in this paper is based on primary data collected during a brief field visit to Hubli-Dharwad in July 2007 as well as on secondary data. It starts in Section 1 with a brief account of

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urban water provision in Karnataka and of the Karnataka Urban Water Sector Improvement Project (KUWASIP), of which the pilot at Hubli-Dharwad is a part. Section 2 describes the general water situation in Hubli-Dharwad. Section 3 first summarises the current status of the 24/7 component of the KUWASIP project at Hubli-Dharwad and then analyses three specific aspects – the implication of the concept of 24/7, institutional relations and equity. The paper concludes with some brief comments in Section 4.

### **1. Urban Water provision in Karnataka and KUWASIP**

The main actors involved in urban water supply in Karnataka are the urban development department (UDD), the Karnataka Urban Water Supply and Drainage Board (KUWSDB), the Bangalore Water Supply and Sewerage Board (BWSSB), urban local bodies (ULBs) and the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC). While UDD is the main agency for urban water supply schemes, the KUIDFC is the channeling agency for the schemes of multilateral agencies. The KUWSDB designs and implements water supply schemes in all urban parts of Karnataka (except Bangalore, where the BWSSB is in charge). Following the 74th amendment to the Indian Constitution, the government of Karnataka passed statutory orders in 1994 and 1995 requiring the handing over of the maintenance of all water supply schemes by the KUWSDB to ULBs. The process has been completed in most areas barring a few [KUIDFC 2006a].

However, provision of water supply is inadequate in terms of both quantity and quality, and there are problems in the sector such as inadequate capacity utilisation, poor maintenance and lack of adequate finances. These features are not unique to the urban water situation in Karnataka, and have led to calls for reforms at the national level [see, for instance, GoI 2002]. But Karnataka has been at the forefront of reforms in terms of policy measures and legislative changes adopted as well as in terms of the large number and variety of projects taken up. For instance, Karnataka adopted a state water policy as well as a state urban drinking water and sanitation policy in 2002, and amended the Karnataka Municipal Corporations (Water Supply) Rules to provide a legal entry to private operators in urban water delivery systems [GoK 2005a].

The World Bank-funded KUWASIP<sup>1</sup> aims to launch the government of Karnataka urban water reform process by creating a sound institutional and regulatory framework as well as an enabling environment for private sector participation. It is supposed to be the first phase of a long-term programme of the World Bank funding in the water and sanitation sector in Karnataka; depending upon the success of this phase, operations will be scaled up in the second and subsequent phases. The project has three main components:

- (1) Technical assistance studies for water and sanitation sector reforms at the state and ULB levels.
- (2) Investments in three ULBs (Hubli-Dharwad, Belgaum and Gulbarga) to improve bulk water supply and to demonstrate the feasibility of continuous, pressurised (24x7) water supply in selected demonstration (demo) zones. More specifically, the 24/7 component has been piloted

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<sup>1</sup> The discussion of KUWASIP in this section draws on GoK (2005b), the web site of KUIDFC (<http://www.kuidfc.com/WEBSITE/WebPage.nsf/lookupAllCat/Projects-KUWASIP>) and World Bank (2004).

in eight wards in Hubli-Dharwad, 10 in Belgaum and 11 in Gulbarga. Further, in order to ensure that water supply to non-demonstration zones continues to be at least at the current level, the project has undertaken certain critical minimum investments called priority investments (mainly for rehabilitation/replacement of bulk water transmission lines) as well as certain other urgent works (mainly in Hubli-Dharwad).

- (3) Contracting a private party for the operation and management (O and M) of the demonstration zones for two years following the above improvements.

This paper focuses on the working of the second component in Hubli-Dharwad. But before turning to this, it is useful to briefly consider the financial and institutional arrangements in the KUWASIP. The total cost of the KUWASIP project is about Rs 237 crore, with the 24/7 demonstration costing Rs 65.60 crore. Of the total cost, the loan component from the World Bank is Rs 182 crore and the contribution of government of Karnataka to the three cities is Rs 55 crore.

In terms of institutional arrangements, a number of different actors are responsible for various components of the project. The nodal agency for the KUWASIP project is KUIDFC. A branch office of KUIDFC, called the project implementation unit (PIU), is located in each ULB; its main work is to coordinate between different stakeholders and to do the day-to-day monitoring. Compagnie Generale des Eaux, France (CGE) is the executing and supervising agency for demo zone works (including O and M of the distribution system for two years following the commissioning of 24/7). With some restrictions, the CGE can sub-contract part of the services provided by it to third party sub-contractors [GoK 2005b: Clause 14.1]; for instance, Jain Irrigation Systems is in charge of rehabilitation of the water distribution system.

Ownership of all assets continues to remain with the respective ULBs and at the end of the O and M period, the ULBs will take over the distribution system in the demo zones. The process of taking over would be facilitated by the fact that there are corporation staff on deputation with the CGE whom the CGE is supposed to train; the CGE is also supposed to train management and staff of the corporation during the last six months of the O and M period [GoK 2005b: Schedule 16]. Tariff-setting is in the domain of ULBs. The government of Karnataka has formed a core committee (consisting, among others, of the commissioners of the three corporations) to finalise the tariff framework in the three ULBs. This committee, in turn, appointed Fichtner India, Chennai to make recommendations in this regard.

The KUWSDB is in charge of carrying out the priority investments by using contractors. The demo zones were selected by the Bristol Water Services, Austria on the basis of technical considerations and socio-economic mix of households.<sup>2</sup> Fichtner India monitors the quality of both priority investments and the works in the demonstration zones, and the payments are made only after certification from Fichtner.

We now turn to the general water situation in Hubli-Dharwad.

<sup>2</sup> The criteria employed to select the demonstration zones were (a) the feasibility of hydraulically isolating a portion of the distribution network to which the required water could be supplied from an independent reservoir; (b) the number of connections in these zones forming about 10 percent of the total connections in the city; and (c) the population in these zones representing the typical socio-economic mix of the city.



## 2. General Water situation in Hubli-Dharwad<sup>3</sup>

The twin cities of Hubli and Dharwad constitute the second largest city in Karnataka, with an area of 202 km<sup>2</sup> and a population of about 9,40,000 (about 6,25,000 in Hubli and 3,15,000 in Dharwad) in 2001. Fifteen percent of the population lives in designated slums [GoK 2005b: Schedule 3].

There are two main sources of water – Renukasagar Reservoir (on Malaprabha river) and Neerasagar Tank. Until recently, the former had a design capacity of 68 MLD (million litres per day), of which 41 MLD was used; the latter had a design capacity of 40.9 MLD, of which 33.5 MLD was used.<sup>4</sup> Currently, Hubli-Dharwad draws about 110 MLD, although the daily requirement as per prevailing government norms is 130 MLD. Almost 95 percent of supply is to domestic consumers; and it is on this component that the discussion in this paper focuses. However, it is important to note that the lack of a large commercial/industrial demand for water limits the potential for cross-subsidy of water tariffs.

**Under the HDMC:** Until 2003, the KUWSDB was responsible for bulk water supply and for O and M of the bulk water supply system. The Hubli-Dharwad Municipal Corporation (HDMC) was in charge of the O and M of the distribution system, management of underground drainage system and billing and collection. The HDMC also made provision for supply from public and private groundwater sources. But water supply services were poor and there were heavy losses in the distribution system, which has been attributed to mismanagement by HDMC [GoK 2002a]. There was also an inequity in distribution of water, with local variations in both frequency and duration of water supply. The low point of the water service delivery was reached when water delivery fell to two hours of water every 15 days in the summer of 2002. In April 2003, the water supply of Hubli-Dharwad was handed over to KUWSDB [GoK 2002a]. Since then, both bulk water supply and the distribution network are being maintained by KUWSDB up to consumer point (including billing and collection of water charges).

**Measures of the KUWSDB:** Since the board took over, a number of changes have been made to improve water supply and increase recovery – some specifically under KUWASIP, and others part of the board's general move in various locales to improve efficiency [Ramamurthy 2006]. We start with the latter set of measures, with the caveat that at least in Hubli-Dharwad, these may not have been completely divorced from the fact that an important component of the KUWASIP project was to be implemented there.

One important change is a shift from the polyvinyl chloride (PVC) pipes to metal pipes – which last longer and are less prone to leakages – at least in city limits which fall within the jurisdiction of the board. Secondly, the new metal pipes (as also the replacement of pipes/valves in the last two years) have been financed by pro-rata charges, which Hubli-Dharwad is the second city in Karnataka

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3 A large part of the discussion in this section (especially, on the recent changes) draws on interviews with KUWSDB officials on July 10 and 11, 2007.

4 In addition to the two surface water sources, groundwater is also used. GoK (2005b) indicates that there are 728 powered and 890 handpump borewells with the powered borewells contributing about 8.2 MLD; however, actual groundwater use is likely to be much higher.

to charge.<sup>5</sup> This measure is important because the financial support from the state government is typically available only for capital works and not for O and M.

The third measure relates to tariffs for water use. Soon after the board took over in 2003, it proposed to the municipal corporation that an increase in tariff for domestic use and an increase in metering would be taken up after three to four years, during which period various improvements in the water supply system would be undertaken. Accordingly, there is now an increased metering as well as higher tariff rates. The minimum monthly charge (for unmetered water connections as well as water use of less than 10,000 litres) was first increased from Rs 45 to Rs 60 in 2005. In June 2007, tariff was raised from Rs 60 to Rs 90 with retroactive effect from April 2006.<sup>6</sup> Volumetric rates are Rs 5.8 per kilolitre (KL),<sup>7</sup> but most households (at least in the demo zones) seem to be paying the minimum water charge.

Apart from the above measures, other general measures undertaken include a move from manual to computerised billing, computerisation of the customer database, spot billing, and the introduction of the board's own counters for bill collection (instead of the former practice of banks collecting the bills) which in turn has facilitated payment.

We now turn to the measures undertaken by the board under KUWASIP.

**Objectives of KUWASIP:** An emergency water supply scheme was commissioned in August 2004; under this, the design capacity of Malaprabha was increased to 73.8 MLD, a water treatment plant was constructed at Amminbhavi and the Neerasagar Reservoir was desilted. As part of the priority investments, a new pipeline has been installed to enable direct pumping from the treatment plant at Amminbhavi to Hubli; this would replace the earlier two-stage process whereby water was first pumped to Dharwad and then onto Hubli by gravity flow, and hence, save both water and energy [KUWSDB 2007a]. Further, in line with the broad objectives of KUWASIP, a number of private players have been involved in the above investments in Hubli-Dharwad. For instance, management of bulk water supply of both supply systems (Malaprabha and Neerasagar) up to storage reservoir was handed over by KUWSDB to Larsen and Toubro (L&T) in February 2006.

The aforementioned changes have resulted in an increase in frequency in supply (once in four to five days as against the earlier scenario where water was supplied once in eight to 10 days); Board officials also anticipate further improvements once the existing problems in the pumping and distribution systems are taken care of. Recovery rates have improved from 30 percent to 92 percent and there has been an increase in revenue collection. But while the need for changes in the water sector in Hubli-Dharwad cannot be denied, as also the positive impact of many of the individual

5 The pro-rata charges (which vary by plinth area) are meant to recover the costs of the Malaprabha augmentation scheme and other systemic improvements.

6 The earlier increase in tariff had initially been proposed as a hike from Rs 45 to Rs 90. Following protests, it was increased only to Rs 60. Then, in 2006, there was once again a move to increase it to Rs 90, which also met with protests. The general body of the corporation passed a resolution to stop the increase, which was eventually rejected by the government of Karnataka.

7 1 KL = 1,000 litres.

measures taken by KUWSDB, it is important to keep in mind the far-reaching nature of some of the changes (such as metering) as also the broader context of reforms within which they are being made. This becomes clearer when one examines the 24/7 component of the KUWASIP project in detail.

### **3. Continuous Water supply in Hubli-Dharwad**

The component of the KUWASIP project that has received the most attention is the piloting of 24/7 in selected wards of the three ULBs. The provision of 24/7 continuous water supply involves refurbishment of the distribution network, upgrading customer connections, and ensuring 100 percent metering.<sup>8</sup> The demo zones were handed over to CGE in September 2005. Although the capital works required for 24/7 were supposed to be completed in all three ULBs by September 2006, the work was delayed. In this sub-section, we summarise the current status in Hubli-Dharwad.

The demonstration zones in Hubli include wards 27, 28, and parts of 29 and 32; in Dharwad, wards 8, 9, 10, and 11 are included. There are about 6,225 household connections in Hubli and 4,829 household connections in Dharwad, covering a population of 35,950 and 34,305 respectively [KUIDFC 2007a]. The major capital works are almost completed. 24/7 started in Hubli around mid-June. Performance targets were demonstrated in October for 15 days, and O and M will start once the appropriate certification is obtained by KUIDFC [KUIDFC 2007c]. Work has been slower in Dharwad which has seen more protests against the project; among other things, protesters have raised questions about the lack of transparency in the project, particularly with respect to the tariff structure. But the final door-to-door connections are being made and 24/7 is likely to start soon.

Recommendations regarding the new tariff rates (put forward by the core committee on the basis of Fichtner's study) are currently awaiting the cabinet approval. An increasing block system of volumetric tariffs has been proposed for metered connections in both demo and non-demo zones.<sup>9</sup> For domestic connections, the monthly tariff per KL would be Rs 6 for consumption between 0 and 8,000 litres, Rs 10 for consumption between eight and 15 KL, Rs 15 for consumption between 15 and 25 KL, and Rs 20 for consumption above 25 KL. Minimum charge per connection for all slabs would be Rs 48. But even after approval, the new rates will be charged only six months after the formal commissioning of the water works. For the first six months, tariffs would continue to be charged at the current minimum rate of Rs 90. However, dummy bills with the new volumetric tariff will be issued so that people understand the new tariff structure and can change their consumption pattern if desired.<sup>10</sup>

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8 Interview with CGE officials on July 10, 2007.

9 In the demo zone, all connections would be metered. For unmetered domestic connections in the non-demo zones, the proposed tariff rates are Rs 60, Rs 120 and Rs 240 for house plinth area up to 600 square feet, between 600 and 1,200 square feet, and above 1,200 square feet, respectively.

10 The discussion in this paragraph draws on KUIDFC (2007c).

Given that the 24/7 component (as also KUWASIP) is breaking new ground on a variety of fronts, we now consider three dimensions that are critical in terms of the reforms that are being proposed/undertaken in Karnataka and other parts of the country.<sup>11</sup>

### 3.1 Implications of 24/7

The concept of 24/7 has been a major point of controversy in the project, with strong justifications being put forward for it, as well as scepticism being expressed about it. In this sub-section, we summarise both sets of arguments and then point out how the critiques of the concept of 24/7 in the specific context of Hubli-Dharwad remain inadequately addressed to date.

The official justification for 24/7 involves a number of inter-related points.<sup>12</sup> Intermittent water supply is held to lead to a number of problems such as greater possibilities of contamination of water, wastage of water, health hazards due to inadequate/poor quality of water, and coping costs. With 24/7, on the other hand, there would be (i) reduction in leakages and unaccounted for water; (ii) improved energy efficiency; (iii) accurate measurement of flows, better demand management, and increased revenue; (iv) improvement in general health; (v) longer life of distribution assets and a consequent reduction in capital costs; (vi) greater willingness to pay for water due to the improvement in service levels; and (vii) reduced coping costs.

Viewed in isolation, there is merit to at least some of these arguments. However, what one needs to remember is that many of the advantages of 24/7 can be obtained only in conjunction with other conditions/measures, which may either not be always present or are problematic from the point of equity. For instance, an adequate and reliable source of water supply is a prerequisite for 24/7. Such a system also requires high degree of leakage control and continuous maintenance of pressure, which in turn, call for large investments and good O and M [Dharmadhikary 2007]. This not only has implications for cost, but would also determine the extent to which the advantages of 24/7 are obtained in a given context. Similarly, lower use that is supposed to result from 24/7 assumes the presence of metering and volumetric pricing. But apart from the fact that these measures may not necessarily result in lower use [Bakker 2005], their equity implications are also not always positive.

In the case of Hubli-Dharwad, the long history of water problems makes it a strong candidate for water reforms. But there is scepticism about 24/7 on four counts need, feasibility, cost and the particular institutional arrangements being used. In terms of need, it is important to note that perceptions about how much water is enough differ widely. In a rapid survey conducted in 2003 by Samaj Vikas Development Support Organisation (SVDSO) Hyderabad as part of a preappraisal study, 67 percent of the households in the three cities merely wanted a more reliable supply with specific timings and pressure. When the idea of 24/7 was mooted, 64 percent wanted 24/7; however,

11 Apart from the three dimensions discussed in this paper, there are also other aspects of the project that merit attention such as environmental impacts (particularly the disposal of the wastewater generated), the exclusion of sanitation and sewerage concerns, the financial implications of the specific loan arrangement used, the relation between domestic and commercial uses of water, and the nature and extent of citizens' participation.

12 The discussion of the official justification draws on interviews with CGE and KUIDFC, WSPSA (2003), and KUIDFC (2007b).

the percentage of people who wanted 24/7 was lowest in Hubli and Dharwad (12.29 percent and 13.53 percent, respectively), a point that was attributed to greater cynicism given their history of water supply problems. In our informal conversations with people in Hubli and Dharwad (both in the demonstration and non-demonstration zones), a range of opinion was expressed. There were people (usually those with adequate storage facilities and/or access to groundwater) who said that the board's supply (once in four to five days for about three hours) was more than enough; others welcomed 24/7 since it would eliminate the need to store water. Some slum-dwellers in the Hubli demonstration zone also felt that the implementation of 24/7 was in response to their demands for more regular water, since the poor stand to lose the most (in terms of time and wages foregone) when water is irregular and intermittent.

But even those in favour of 24/7 raise questions about the feasibility, cost, and the particular set of institutional arrangements under which it has been undertaken. In fact, these questions were raised in the very first set of public consultations that were carried out in Dharwad in 2003 [KUIDFC 2004]. At that point, the official position was that there was adequate water for 24/7 in the demonstration zones and that inadequacies in the supply of water stemmed from shortcomings in the distribution system, which would be corrected in the course of the project. Further, the government of Karnataka was tackling the question of water supply at various levels by way of measures such as river basin management, watershed development, and groundwater recharge (*ibid*). In contrast to these claims, the 24/7 project, as it is currently working out in Hubli-Dharwad, does not include any groundwater or rainwater harvesting strategies; nor does it take into account the private players who are already involved in the provision of water. This is particularly glaring given that there seems to be a fair amount of groundwater use in the twin cities, as also groundwater extraction by private tankers and packaged drinking water suppliers [KUIDFC 2004]. There is no doubt that improving the distribution system is much needed and would result in better use of available water. But while the water currently available may be adequate for 24/7 in the demonstration zones,<sup>13</sup> it is not obvious that 24/7 can be extended to the remaining areas in the two cities as well as to other cities in the state, which is supposed to be the long-term plan [KUIDFC 2007a]. This is particularly so given that there are already conflicting claims to the waters of Malaprabha, the major surface water source for Hubli-Dharwad.<sup>14</sup>

A similar argument could be made in terms of the cost of the project too. Currently, due to the pilot nature of the project, the entire contribution of the government of Karnataka has been passed on to the beneficiary ULBs as a grant. In case of any upscaling, this would clearly not be possible. Hence, even if one accepts the argument that 24/7 is needed, undertaking it without engaging with the question of how its cost requirements would be met when scaled up is problematic, especially

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13 The requirement for the 24/7 pilot is 7.39 MLD for Hubli and 6.39 MLD for Dharwad. This is expected to be met without any increase in bulk supply, especially since the new line to Hubli has resulted in savings in water [KUIDFC 2007a].

14 The inadequacy of water to meet the needs of different users in the basin led the government of Karnataka to propose the diversion of about 8 TMC (thousand million cubic feet) of water from the Mahadayi to the Malaprabha under the Kalasa-Bandhur Nala project [Kohli 2003]. Further, 1 TMC out of the 8 TMC is supposedly earmarked to meet the drinking water needs of Hubli-Dharwad. However, the project is currently suspended due to opposition from the Goa government and by activists protesting against its potential negative environmental and social impact.

given the high cost of conversion to 24/7 supply.<sup>15</sup> Apart from need, feasibility and cost, the other concern that has been raised about 24/7 are the institutional arrangements, which we discuss in the next sub-section.

### 3.2 Institutional relations

Two sets of concerns emerge from the large number of players and complex institutional arrangements involved in the working of the 24/7 project as well as related components such as the priority investments – those stemming from the division of labour and those arising from the role of private players.

We start with the concerns that relate to division of labour. A large number of actors such as HDMC, KUWSDB, KUIDFC, CGE, and L&T and other private players are involved in the project, who in turn sub-contract specific parts of their work to other parties. At least one rationale of involving many actors is that each one could then specialise in the task best suited to them. But given the inter-related nature of the functions in water provision, such separation of functions, as also the various levels of contracting and sub-contracting, also result in problems of coordination and accountability.<sup>16</sup> For instance, one of the advantages of 24/7 is supposed to be the reduction in contaminants in water; thus a CGE official claimed credit for the improved quality of water since 24/7 started in Hubli. However, as the supplier of bulk water, it is KUWSDB that continues to be responsible for the quality of bulk water, although within each demonstration zone, the CGE is supposed to maintain the quality of water at the same level as that of the bulk the water supplied by KUWSDB [GoK 2005b: Schedules 8, 10, 12, and 14]. Hence, it is not clear who would be held accountable in case of any problems with quality.

This problem is compounded by the fact that information may not even be easily available in the public domain. For instance, there is a confidentiality clause in the contract that the operator shall keep confidential all matters relating to the services it provides, the relevant assets of the distribution system, and the contract, and use reasonable endeavours to ensure that their employees, sub-contractors and agents do not disclose such information too (*ibid*: Clause 23.1). How such a clause would stand up to the Right to Information Act remains to be seen. Nevertheless, it is not clear what the rationale of such a clause is, or even the aspects that it would cover, especially because there is also a clause that calls for the operator to cooperate with the government and the corporations in the implementation of the communications programme designed to inform people about the demonstration project (*ibid*: Schedule 16).

15 Preliminary studies on distribution system diagnostics in the three cities provided estimates of Rs 7,500 to Rs 11,000 per connection for conversion to 24/7 supply [WSP-SA 2003]. KUIDFC (2007d: 87-89) also provides a tentative estimate of Rs 122 crore to extend 24/7 to the rest of Hubli-Dharwad; this figure excludes the additional investments needed in bulk supply and unlike in the pilots, does not aim to replace all pipes in the distribution system.

16 Note also that a large amount of sub-contracting happens in the case of labour-intensive tasks, since contract labour is considered to be more “costeffective”. This in turn raises questions about labour practices adopted (by both public and private actors).

Problems of coordination also result from the fact that the formal division of labour – laid out in state legislation, government ordinances and contracts – may not give a complete picture of the actual powers or autonomy that each entity has over its function (s). For instance, in theory the HDMC has the power to set tariffs, a point that has been strongly emphasised in response to activists’ critiques about the project resulting in reduced public control over water. However, tariff-setting is dependent on a number of other decisions (the kind of water infrastructure that is set up, the extent of cost recovery needed, and so on), which may not be entirely in the control of HDMC. For example, there is a requirement that the initial tariffs should cover 50 percent of O and M costs, and subsequent increases should cover 80 percent of O and M costs by the end of the project [World Bank 2004]. This in turn limits HDMC’s power to set tariffs.<sup>17</sup>

The second set of concerns relates to the role of private players in the project. The biggest private player involved is the CGE and its presence has led to a debate about whether this project constitutes “privatisation” and about the effect of involvement of private parties in the water sector. The official stand is that the project does not constitute privatisation since the source and assets continue to remain with the state, as also the final decision-making powers; as a member of CGE emphasised, this is a government project. The counter-argument made to this is that privatisation can take a number of different forms, of which direct ownership of source and assets is only one. Further, similar pilot projects have, in other parts of the world, been a prelude to even greater involvement by private parties, which in turn, is deemed to be problematic on a variety of grounds. It is not our intention here to go into the whole gamut of arguments put forth in this context. What we seek to do, instead, is highlight a number of points/ questions that emerge in the context of Hubli-Dharwad which could potentially contribute to the larger debate on privatisation.

Firstly, one argument that is often put forward is that private contractors have always been involved in the water sector (in Hubli-Dharwad, as also in other parts of the state and country). However, what is not sufficiently emphasised is that the current form of participation is different in terms of both the nature of contracts and the kind of contractors involved. Increasingly, a whole package of functions is contracted out instead of the earlier piecemeal functions; further, large non-local companies are also emerging in the water arena, particularly for such package of functions.<sup>18</sup> The implications of these differences need to be carefully considered; for instance, how differences in power positions of contracting parties might be greater now, and how this in turn may affect their bargaining position.

Secondly, while it is the presence of the foreign private company CGE that has been subject to the most attention, there are also domestic private companies involved in the project. In general, many Indian companies are entering the water market. An important question to engage with then is what differences (if any) there are between domestic and foreign private companies in terms of motivations, actual behaviour, applicable laws and the extent of legal recourse open to the state and citizens.

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17 There is also the bigger question of whether each project needs to be financially sustainable, or whether it can be subsidised by other projects within or outside the sector.

18 Informal interaction with a KUWSDB engineer on July 11, 2007.

Thirdly, private companies, whether domestic or foreign, are not necessarily more efficient, a point that has been made by many anti-privatisation groups. For instance, the priority investment work undertaken by Pratibha Industries – the new direct pipeline to Hubli – was delayed, and 24/7 in Hubli started with the old pipeline. Similarly, the CGE is doing the major technical work city by city because there is only one technical expert (specialised in checking pressure, fixing valves, and metering) for all three cities. There are also questions about the kind of functions that private contractors are willing to take on. For instance, one KUWSDB official claimed that private companies are not willing to do anything beyond the letter of the contract; thus there is constant negotiation by L&T about particular functions not being part of their mandate. In fact, even as L&T handles day-to-day operations at the reservoir and the treatment plant, supervision by the board continues and board officials continue to be called for in a crisis situation. At one level, this involvement of the board is needed since it is ultimately responsible for the provision of bulk water. At the same time, it does seem that when both public and private bodies are party to a contract, the public body ends up taking on all “residual functions”, that is, those which are not believed to be part of the contract.

This is not to claim that the board necessarily took on and did well all functions in the past, but rather to question the view that the involvement of the private sector is possible in all functions and will by itself necessarily lead to greater efficiency. Ironically, when the Hubli-Dharwad water supply distribution system was handed over to KUWSDB in 2003, it was felt that the body had the “necessary wherewithal and technical expertise in managing water supply systems” and also that water service delivery and operational efficiency would improve “if bulk and retail distribution of water is vested with *a single agency*” [GoK 2002a: Clause 3 of Preamble; italics ours]. In fact, there have been demands from KUWSDB that the entire responsibility of execution and maintenance of water schemes should be handed over to the board [Anonymous 2006]. At the same time, there is at least some acknowledgement within the board that considerable changes are needed in its working (upgradation of skills, improved incentives for staff), though not all of these are within its control. But the point remains that the question of who should handle which particular functions of water provision is a complicated one and should be resolved only after careful deliberation.

### 3.3 Equity

In this sub-section, we focus on the potential equity impact of three aspects of the project – pro-poor policy, public standposts and tariffs.

We start with a discussion of the pro-poor policy. This policy was issued by the government of Karnataka with the aim of providing concessions to the urban poor with respect to water supply in the context of KUWASIP, and is at least partly a response to concerns expressed by activists and civil society groups. There are a number of different dimensions to it. The policy starts by identifying the urban poor as those residing in houses measuring up to 600 square feet built-up area regardless of whether they live inside or outside slums. For such urban poor, it simplifies the procedure for new connections, waives the one-time connection deposit for 24/7 (but not the cost of the meter), and fixes a lifeline supply of 8,000 litres per household per month at a concessional rate (to be decided by municipal corporations). The policy also mentions that water would be provided



free of charge through public kiosks / cisterns / borewells fitted with handpumps to vulnerable sections such as nomads, the destitute, and the homeless.<sup>19</sup>

While the attempt to put forth the policy is commendable, there are a number of problems with its conceptualisation. Firstly, the upper limit of 8,000 litres per month for the first slab of the proposed volumetric charges has been fixed in accordance with the pro-poor policy, and is based on the provision of 55 litres per capita per day (lpcd) for a household size of five. But this means that households of larger sizes (such as joint families) would be implicitly penalised, since they would move to the next slab even if they just consume the minimum of 55 lpcd. Further, the first 8,000 litres are subsidised: the proposed charge of Rs 6 per kilolitre is lower than the expected O and M cost in 2007-08 of Rs 11.20 per kilolitre for the demo zone [KUIDFC 2007c]. But while the subsidy is laudable, it is not applicable only to the poor, since all classes would be paying the same rate for that slab. That is, ideally, there could be a higher subsidy for the poor. Alternatively, one could have a model similar to the South African case which allows for a free basic water supply of 6,000 litres per household per month.

Secondly, the HDMC has a policy of collecting a one-time connection charge (earlier Rs 2,000, but now charged on a pro-rata basis), a policy independent of KUWASIP. But given that only households with legal connections are eligible for 24/7, what this means is that those with illegal connections who want to avail of 24/7 first need to regularise their connections by paying the connection charge to HDMC. However, not everyone may be able to afford this charge, which is additional to the Rs 900 for the meter. For instance, in Hubli, in a declared slum that is part of the demonstration zone, slum-dwellers claimed that 70/450 households had not been given 24/7 (as of July 10, 2007) because they had failed to regularise their connections. What the pro-poor policy failed to anticipate is that 24/7 would be supplied via a new distribution network, which in turn meant that the old network in the distribution zone would be disconnected [KUIDFC 2006b], so that, in theory, the poor with illegal connections who failed to regularise their connections would not receive any water on operationalisation of the new scheme. The local-level actors have found their own way to deal with this: since disconnecting people from the public distribution system was not considered desirable, in Hubli-Dharwad, just before the commissioning of 24/7, KUWSDB legalised the illegal connections by taking nominal payments of Rs 30.<sup>20</sup> It is not clear at this point if there will be any attempt in the future to recover the full connection charge. But what we wish to highlight is the emphasis on legality at the policy level and how this serves to implicitly bifurcate the poor into the legal poor, who are accorded explicit concessions by the state such as those in the pro-poor policy, and the illegal poor, whose interests are left to be determined by local-level dynamics (although the equity outcome resulting from this is not necessarily negative).

The second aspect that is pertinent from the point of view of equity is the policy with regard to public standposts (PSPs). While there is provision (at least on paper) for public kiosks/cisterns/borewells with handpumps for vulnerable sections who cannot afford to pay anything, PSPs are to be discouraged in the demonstration zones [KUIDFC 2006b]. There is, however, the option of

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19 The pro-poor policy is available at <http://www.kuidfc.com/WEBSITE/WebPage.nsf/lookupAllCat/Projects-KUWA-SIP-Pro%20Poor%20Policy>.

20 Personal communication with PIU official, November 13, 2007.

shared group connections to those who cannot afford individual connections. The tariff for this would be Rs 6 per KL per month for consumption levels up to 8 KL per household in the group; for additional consumption, the tariff rate recommended for individual connections can be charged. Effectively, then, the only difference between a group connection and an individual one is that the cost of the meter and the 24/7 connection charge would be shared in the former (since volumetric rates remain the same).

In the case of Hubli-Dharwad, initially, there were attempts to shut down PSPs. Following protests by local residents they were restarted. The HDMC has now approved 13 PSPs in Hubli and 15 in Dharwad. These PSPs seem to be more in the nature of group connections in that they will be metered and billed; but at least in Hubli-Dharwad, the current plan is that the bills will be paid by the corporation.<sup>21</sup> How this policy actually works out in practice remains to be seen, especially given the general emphasis on cost contribution by users.

The third aspect is the proposed tariffs in Hubli-Dharwad. One question that has repeatedly come up since the project was mooted is whether people can afford the rates that would be charged under 24/7. The major argument used to show affordability was (and continues to be) the fact that in the face of inadequate and intermittent supply, people have high coping costs (in terms of money, time foregone and so on), and the charges under 24/7 would be no more (at best) than these costs (see, for instance, KUIDFC 2004). Further, the willingness to pay for more regular supply seems to be quite high. For instance, the SVDSO's survey in the demonstration zones (in 2003) indicated that 39.8 percent of the households in Hubli and 22.2 percent of the households in Dharwad were willing to pay Rs 100 more for 24/7 than the then prevailing tariff of Rs 45. In fact, the ULBs' "willingness to charge" is perceived as a greater hurdle than consumers' willingness to pay [World Bank 2004: 23]. The more recent survey done by Fichtner in 2006 (which is based on both ability to pay as well as willingness to pay) also indicates that in Hubli-Dharwad, willingness to pay is higher than current average expenditure, although average expenditure is already close to average affordability in the case of poor and low affordability households (where households are classified on the basis of income and assets).

But apart from the fact that there are methodological limitations to the techniques used in eliciting willingness to pay and ability to pay, the point that is often missed out in these discussions is that the volumetric tariff is not the only charge for 24/7 – there is also a capital cost recovery component for the non-urban poor. The current proposal is that for existing legal connections, 50 percent of capital cost invested out of project funds for house service connections would be recovered at the rate of Rs 50 per month; for new connections and previously irregular connections that are regularised, full capital cost invested out of project funds for house service connections would be recovered [KUIDFC 2007b]. If both volumetric tariff and the capital cost recovery component are taken into account, the cost per household may be more than what many households are willing (and are able) to pay.<sup>22</sup>

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21 Interview with PIU official on July 12, 2007.

22 Note also that an increase in volumetric tariffs at 25 percent is recommended every two years to ensure that O and M expenditure is matched by revenue over a period of time, which would further complicate the comparison.

Secondly, even after 24/7 has started/is close to starting, people do not seem to have an inkling about the proposed tariffs. First there was a delay in fixing tariffs, which at least one KUIDFC official justified by saying that their initial focus was on giving water. Fichtner submitted its report in November 2006 and after a series of meetings, the core committee accepted the recommendations and submitted it for cabinet approval in March 2007. But although meetings were supposedly held with different stakeholders at various points, people in the demonstration zones are still unaware of the proposed tariffs. This is in spite of the fact that there is a social intermediation and communication strategy cell at the regional office of KUIDFC with an explicit mandate of working with the local community as well as an NGO – rural and urban development association of Dharwad – appointed by this cell to act as a liaison between the project unemployment unit (PIU) and citizens. Further, this lack of knowledge among citizens is not restricted just to tariffs, but applies to various other dimensions of the project.

(Courtesy: Economic and Political Weekly, Vol. 43, No. 14, April 5-11, 2008)

# Likely Impact of Reforming Water Supply and Sewerage Services in Delhi

*Smita Misra and Bishwanath Goldar\**

**T**he consumer survey on which the study is based was carried out by the ORG Centre for Social Research (a division of A C Nielsen ORG MARG). Thanks are due to Suresh Aggarwal and Surender Kumar for their contributions to the econometric analysis of survey data. Special thanks are due to Ashish Kundra and his team from the Delhi Jal Board for actively participating in the design and implementation of the consumer survey. The study team gratefully acknowledges WSP-SA support and funding for the study. The findings of this study are the personal views of the authors and do not reflect any official position of the World Bank group or its affiliates or any other organisation to which the authors belong.

The principle objectives of the study are: (a) to get a good understanding of the baseline water supply and sewerage (WSS) services in Delhi; (b) to assess consumer coping strategies and associated costs; and (c) to assess consumer preferences for improvements in WSS services, willingness to pay and affordability for their preferred option. It also goes into potential social gains from service efficiency improvements in Delhi.

The study is based on a large representative consumer survey carried out in 2005 covering about 10,000 consumers, along with smaller surveys to assess household water quality problems and levels of water consumption. The survey was administered using carefully designed questionnaires based on the state-of-art contingent valuation methodology. About 8,000 households were covered in the survey: 4,000 sample households across various zones in Delhi and 4,000 sample households

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in south Delhi (II and III).<sup>1</sup> The sample of 4,000 households across various zones of Delhi is representative for the city as a whole and provides the baseline situation for Delhi, while the sample for pilot zones provides a more detailed assessment of the situation in south II and III zones. The household survey covered both authorised colonies (Janta flats, low income group (LIG) flats, type I and II government quarters, middle income group (MIG) and high income group (HIG) flats and houses on plots, from less than 100 square meters to above 300 sq m) and underserved colonies ('jhuggi-jhopri' (JJ) colonies, resettlement colonies, unauthorised regularised colonies, unauthorised non-regularised colonies and rural and urban villages). The sample for non-domestic consumers comprises about 1,000 industrial enterprises and about 500 each of commercial establishments and institutions across Delhi.

This paper is organised as follows. Section 1 describes the sampling strategy for the consumer survey; Section 2, the existing WSS situation; Section 3, the cost of coping strategies; Section 4, the willingness to pay for improved services; Section 5, the household affordability for improved services; Section 6, the potential resource saving from WSS efficiency improvements; and Section 7, the concluding remarks

### **1. Sampling strategy for consumer survey**

The sampling design was specially developed to ensure a representative consumer survey, taking into consideration the socio-economic profile of the consumers and the water quantity and quality problems. Twelve representative household categories have been identified, which can be classified into three broad categories: “underserved” areas; “flatted”; and “plotted” developments. A multistage stratified sampling methodology has been followed, with zones as the first stage, colonies as the second and consumers as the third stage of sampling. The information used to stratify zones includes the depth of groundwater availability, groundwater quality and water supply source. The sampling design for non-domestic consumers covers entire Delhi and uses the Delhi Jal Board (DJB) classification: (a) institutions, shops and other commercial establishments; and (b) industries and other establishments. Figure 1 provides the detailed break-up of the domestic and non-domestic samples (Annex 1) provides the definitions of the various domestic consumer categories.

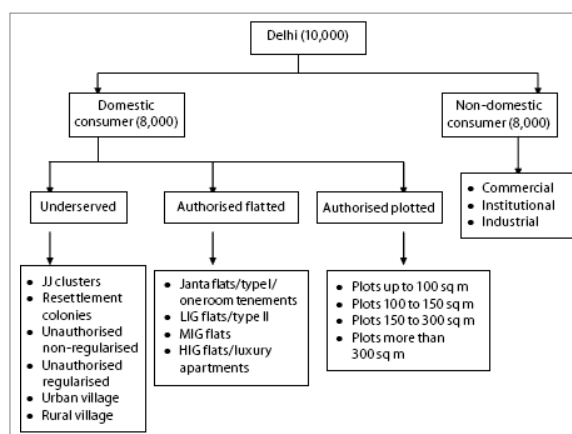
About 98 percent of households in authorised colonies and 60 percent of households in underserved areas receive piped water supply, commonly twice a day, for a total duration of three to four hours a day in authorised and two to four hours a day in underserved colonies. Most households find the water supply inadequate for their needs, compelling them to make use of additional water sources, such as their own borewell, housing society borewell or bottled water. Average water consumption is about 22 kl per month in authorised colonies and about 18.5 kl per month in underserved colonies. In JJ colonies, the average consumption is much lower, about 13 kl per month. Domestic consumers face considerable difficulties due to limited hours of water supply,

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<sup>1</sup> As per Delhi Jal Board (DJB) request, two zones in south Delhi were taken up as pilots for a proposed project.

low pressure and water quality problems. These problems have compelled them to invest in large storage, booster pumps (commonly fitted on the main line) and filters/aquaguard. Ninety-three percent of houses in authorised colonies have large storage arrangements (mostly overhead tanks), 78 percent of households use booster pumps to fill their overhead tank and about 50 percent of households use filter/aqua-guard (another 7 percent of households boil water regularly). About 30 percent of households in authorised colonies have reported water shortage in summer months (Figure 2) and the coping mechanisms include buying packaged water/bottled water and potable and non-potable water from vendors and tankers (Figure 3). About a quarter of underserved area households also report water shortage in summer months.

**Figure 1: Sampling Framework**



About 27 percent of the consumers in authorised colonies reported dissatisfaction with the DJB/New Delhi Municipal Council (NDMC)/Delhi Cantonment Board (DCB) supply.<sup>2</sup> The proportion of dissatisfied consumers was relatively higher (38 percent) among consumers residing in independent plots larger than 150 sq m. The major reasons are inadequate supply of water (72 percent); low pressure (60 percent); irregular supply (30 percent); unsuitable timings of supply (19 percent); and poor quality of water (18 percent). Among dissatisfied consumers, over 70 percent, across different consumer categories, find water supply to be inadequate to meet their daily requirements. Thus, inadequate water supply and low pressure have been cited as major reasons for being dissatisfied with the water supply arrangements in authorised colonies in Delhi (Figure 4).

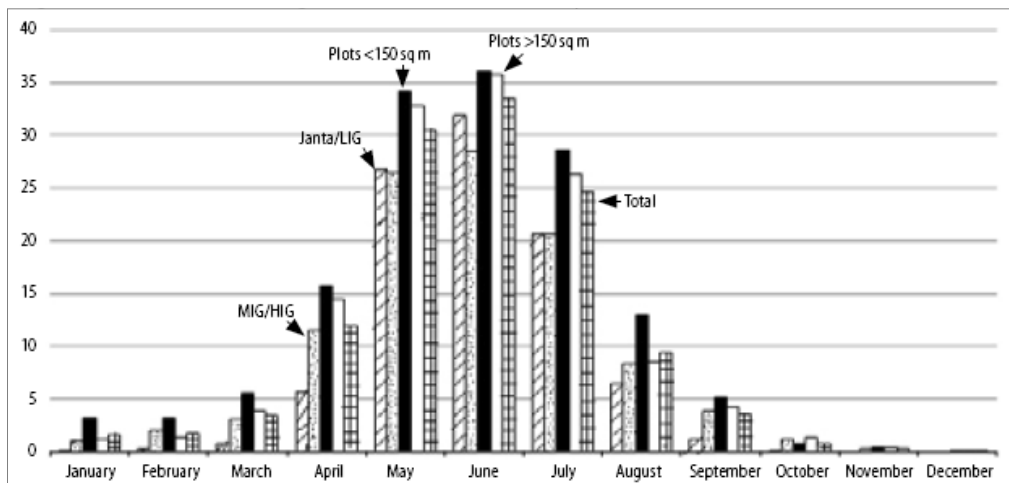
About 40 percent of the domestic consumers in underserved colonies are reportedly not satisfied with the DJB/NDMC/DCB supply. Among the dissatisfied consumers, the major reasons for

<sup>2</sup> Service improvements will help consumers reduce the huge coping costs they currently bear and effect an overall cost saving for the system. It seems that under favourable circumstances, this gain could be as high as Rs 4,000 million (\$ 89 million) per year.

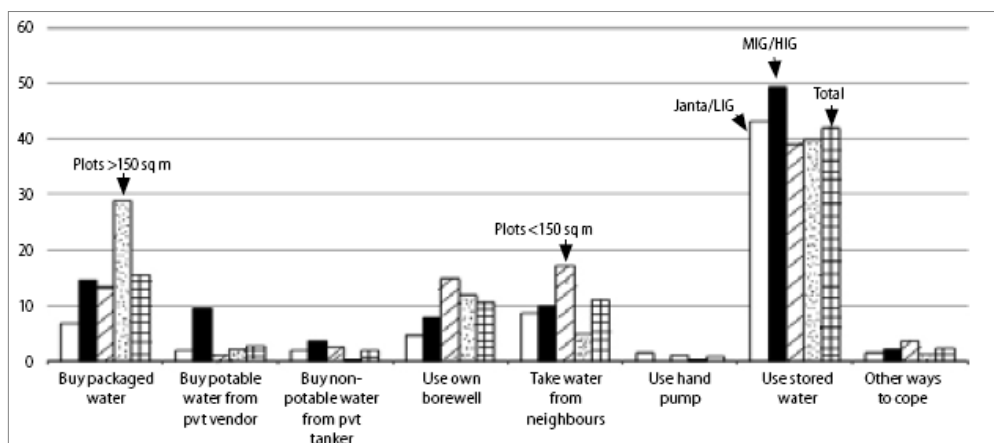
dissatisfaction are inadequate supply of water (70 percent); low pressure (58 percent); irregular supply (33 percent); unsuitable timings of supply (20 percent); and poor quality of water (19 percent). About 36 percent of households in underserved colonies depend on tankers or community level water sources (mostly stand posts). They spend about two hours a day on an average to collect water, as well as bear the burden of collecting and carrying water from the stand post/tanker to home (about 100 meters, on average) about four times in a day. Approximately 19 percent households in JJ clusters have access to “galli taps” (illegal water supply points developed by cutting DJB water supply pipelines), where one such tap is shared between 25 households. Non domestic consumers also face considerable water supply problems, compelling them to make investments in water related assets, as well as incur regular expenses for obtaining water.

Although 60 percent of non-domestic consumers have access to piped water, they mostly rely on additional sources of water, including borewells (30 percent establishments/enterprises), packaged/ bottled water (30 percent) and tankers (6 percent). About 40 percent of non-domestic consumers that do not have access to piped water depend only on borewells and packaged/ bottled water. A high proportion of non-domestic consumers have large storage facilities and use booster pumps to fill overhead tanks. About 51 percent of non-domestic consumers are reportedly dissatisfied with piped water supply arrangements, mainly due to inadequate supply and low water pressure.

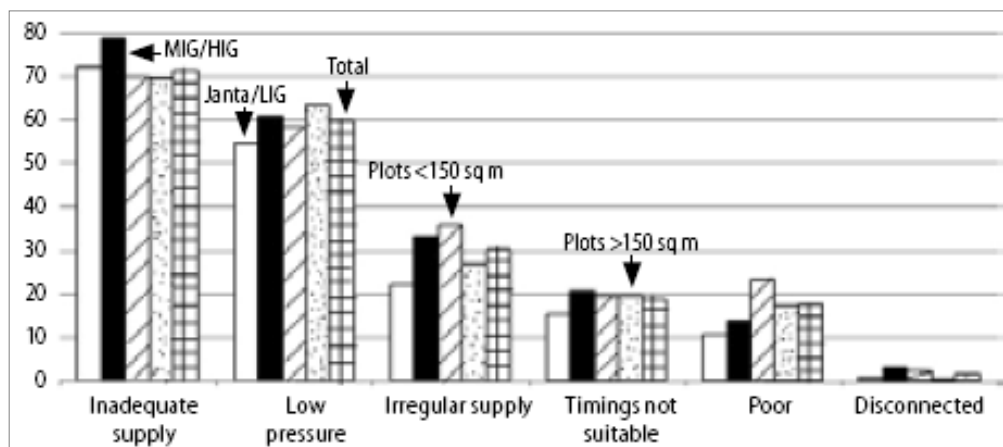
**Figure 2: Seasonal Water Shortages in Authorised Colonies (% respondents)**



**Figure 3: Alternative Arrangements during Water Shortage Months in Authorised Colonies (% respondents)**



**Figures 4: Reasons for Dissatisfaction in Authorised Colonies (% respondents)**



## 2.1 Water Quality Issues

The water quality survey reveals presence of water quality problems at the household end. Nine spots have been sampled to assess the source water quality (after treatment) before it enters into the distribution system. In addition, 271 household premises have been sampled in Delhi to assess the water quality at three points: (i) entry point at household premise; (ii) large storage tank; and (iii) final drinking water vessel. The water quality at the treatment plant/source of supply, assessed in terms of the standard physico-chemical parameters is found to be within permissible limits, as prescribed by the Central Pollution Control Board. The total dissolved solids and alkalinity are more



than the permissible limits in the sample collected from one of the treatment plants. However, as regards water quality at the household end, bacteriological contamination is found in 22 percent of samples at the entry point of the household premise, 23 percent samples in large storage tanks and 34 percent samples from the final drinking water vessel. While contamination at the entry point of household premise is possibly due to leakages and intermittent water supply, the contamination in the storage tanks and final drinking water vessel is mainly due to these not being regularly cleaned and bad water handling and storage practices.

## **2.2 Drainage and Sewerage Issues**

The majority of households across all categories in authorised colonies have toilets and bathrooms in their residences with 91 percent of households connected to the sewer line. The households without a sewerage connection dispose off the sewage either in septic tanks/pits or in the open. These households have to spend an amount of Rs 459 on an average per household, per annum, for cleaning and maintenance of the septic tanks/pits. Ninety-five percent of the consumers reported having an underground drainage network in their locality. However, about 10 percent households reported wastewater stagnation and unpleasant odour in their locality, especially during the rainy season. About 73 percent households in the entire underserved areas have private toilets, mostly connected to the sewerage system. However, the coverage of the municipal sewerage system is not very widespread in JJ clusters (46 percent coverage) and unauthorised non-regularised colonies (45 percent coverage). The households not serviced by municipal sewerage system dispose off the waste either in septic tank, single/twin pit latrines or in the open. Among them, most have to incur expenses on cleaning and maintenance (average amount spent is Rs 438 per annum). The underserved colonies show a greater dependence on community toilets, with 67 percent households having access to community/mobile toilets among those households that do not have a private toilet. Also, the coverage of the drainage system is not widespread in the underserved colonies with 44 percent households having access to underground drainage network, 41 percent having access to surface drains and the rest having a mix of underground and surface drains. Twenty-seven percent of the localities have pockets of wastewater stagnation for many months in a year, while 45 percent of the roads in these localities are waterlogged during the rainy season.

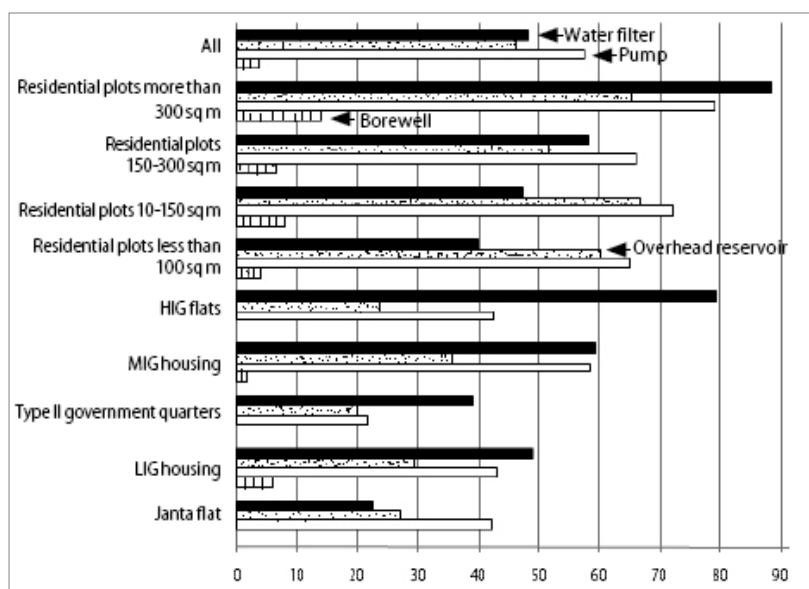
## **3. Cost of Coping Strategies**

The coping strategies adopted by consumers to manage water shortages, irregularity of supply, low pressure, water quality problems, etc, include investments in borewells, booster pumps, water storage, purchase of water (bottled water/vendor supply), use of filters, aqua-guards and boiling of water. The survey was specially designed to capture the various kinds of investments made by consumers in water related assets and their associated costs. This information has been used to estimate the coping costs of representative consumer categories. In addition, the opportunity cost of time spent for water collection has been estimated for households that collect water from stand posts or tankers, which include households mostly from JJ clusters (90 percent households) and unauthorised non-regularised colonies (18 percent households).

### 3.1 Domestic Consumers in Authorised Colonies

#### 3.1.1 Capital Expenditure

**Figure 5: Percent Households that have invested in Water Assets, Authorised Colonies**



About 4 percent households of authorised colonies have invested in borewells, with an average per household investment of Rs 17,000. About 60 percent of the households have invested in pumps and 46 percent in overhead reservoirs, with an average investment per household of Rs 2,400 in pump and Rs 1,600 in overhead reservoirs. About 50 percent of households have invested in water filters, with an average investment per household of Rs 5,400 (details in Figure 5).

#### 3.1.2 Recurring Expenditure

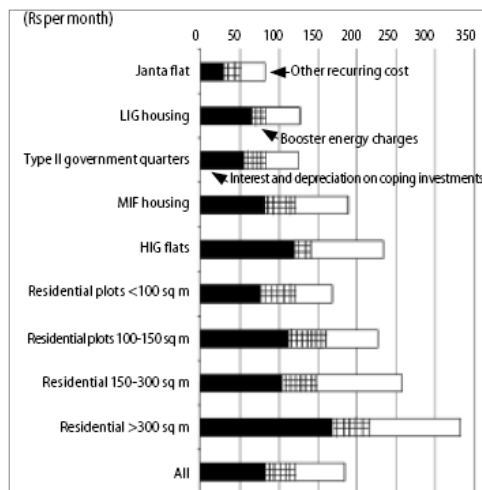
The bulk of recurring expenditure is on additional water purchase, water purification and expenses on booster pumps. One of the major items of expenditure is on energy charges for booster pumps, which accounts for 37 percent of the total recurring expenses. The next important item is expenses on filters for water purification, accounting for about 27 percent of total recurring expenses. This proportion of recurring expenditure incurred on water purification is in the range of 30 to 50 percent for households residing in Janta flats, LIG, MIG and HIG flats. It is relatively lower in plotted houses, ranging between 20 and 27 percent across different categories. About 4 percent of households are purchasing bottled water, spending about Rs 280 per month on an average. About 7 percent of the households are boiling water to make it fit for drinking. The average cost of fuel is about Rs 63 per

month for boiling water. About 50 percent of the households are using filters and spending about Rs 47 per month for repair and maintenance. About 47 percent of the households are incurring expenses on cleaning large storage tanks, with an average monthly expenditure of about Rs10. The vast majority of households are using booster pumps and the average monthly expenditure on electricity is about Rs 52. It ranges from Rs 33 and 42 per month in LIG and HIG flats, respectively, to Rs 62 per month in plotted houses above 300 sq meters.

### 3.2 Domestic Consumers in Underserved Colonies

About 20 percent of households in rural and urban villages, 19 percent of households in unauthorised regularised colonies and 2 percent households in JJ colonies have invested in borewell with an average investment of Rs 2,370 per household. The percentage of households that have invested in pumps and overhead reservoirs vary from 39 to 67 percent across different categories (excluding JJ colonies) with an average investment of about Rs 1,500-1,600 in pump and Rs 800-1,000 in overhead reservoir. Leaving out the JJ and resettlement colonies, about 13-17 percent of the households have invested in water filters, with an average amount of Rs 4,000-4,500 per household. Among households residing in JJ colonies, there is no investment on filters. On the other hand, about 5 percent of households among resettlement colonies have invested in filters. The most important item of recurring expenditure is the cost of water purification (filter/boiling). The cleaning of sewage disposal system is an important cost item along with opportunity cost of time spent for water collection in unauthorised non-regularised colonies. In JJ clusters, the dominant item of cost is the opportunity cost of time spent for water collection. The per household expenditure on energy charges for booster pumps ranges from Rs 23 per month in unauthorised non-regularised colonies to Rs 78 per month in rural and urban villages.

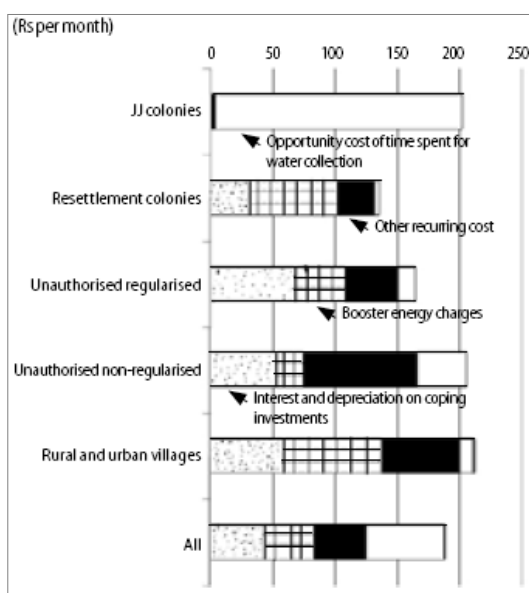
**Figure 6: Coping Cost Estimates for Authorised Colonies (Rs per month)**



### 3.3 Estimates of Average Coping Cost

The average coping cost borne by households in authorised colonies is Rs 184 per month (Figure 6), while that for households in underserved colonies is Rs 189 per month, including time cost of water collection (Figure 7 and Annex 2). The average coping cost borne by households in JJ clusters is estimated at Rs 203 per month, which is almost entirely the time cost of water collection. Among various household categories, the coping costs are relatively high for households residing in plotted houses above 150 sq m. Combining authorised and underserved colonies, the average coping cost of a household in Delhi is Rs 187 per month, which translates to about Rs 10 per kl of water consumed. Of the estimated average per household coping cost of Rs 187 per month, about Rs 59 is capital cost (interest and depreciation on investment in water related assets) and Rs 128 per month is recurring cost. Out of the recurring cost, about Rs 40 per month are the electricity charges for booster pumps. The average water and sewerage bill of the domestic consumer is Rs 140 per month. This translates into a payment of Rs 6 per kl, taking the average water consumption levels according to the water bills. The coping cost per kl of water consumed is Rs 10. Thus, in total, the domestic consumer bears a cost of Rs 16 per kl of water consumed. This may be contrasted with the operating cost of water supply by the DJB, which is about Rs 6 per kl.

**Figure 7: Coping Cost Estimates for Underserved Colonies**



### 3.4 Non-domestic Consumers

About 41 percent of industrial consumers have invested in borewells with an average investment of Rs 8,000 per consumer. For commercial consumers, the proportion is 16 percent and the average investment is Rs 11,000 per consumer. For institutional consumers, the proportion is 24 percent and the average investment is Rs 9,000 per consumer. About 54 percent industrial enterprises have

invested in pumps and 72 percent in overhead reservoirs. The average investment made by industrial enterprises is Rs 2,100 in pump, Rs 1,400 in sump, Rs 1,100 in overhead reservoir and Rs 1,400 in pipelines. The average investment made by commercial consumers varies from less than Rs 1,200 for overhead reservoirs to more than Rs 4,000 for sump. For the institutional consumers, the average investment for similar arrangements varies from Rs 700 to Rs 7,800. The average coping cost borne by commercial, industrial and institutional consumer are Rs 422, Rs 907 and Rs 539 per month respectively (details in Annex 2). The cost per kl of water consumed by these three categories of non-domestic consumers is Rs 42/kl, Rs 47/kl and Rs 18/kl respectively.

#### **4. Willingness to Pay for Improved Services**

The contingent valuation (CV) method has been applied in this study to assess consumer willingness to pay (WTP) for improved WSS services. The CV method has found wide application in empirical environmental economics. A number of earlier studies on assessment of demand for improved water services have applied the CV method.<sup>3</sup> Of the three common approaches to the CV studies, the “open-ended” elicitation method, the “closed-ended” referendum type elicitation method and the “payment card” method or the checklist CV method, the last one was preferred for this study. In this method, the respondent is asked to circle (indicate) the highest WTP from an ordered set of values (ranging from zero to “Rs X or more” per month) for a particular level of service. To allow for alternate levels of improvement in service, multiple “payment card” values were offered to the respondent and he/she was asked to select the highest WTP for each level of service.

The scenario for improved level of WSS service was described as follows: (a) water supply 24 hours in a day, all days in a week (this scenario was presented to households in pilot zones; in other areas, the initial improvement to six to eight hours of supply, eventually reaching 24/7 was presented); (b) potable quality water supplied, which is safe to drink without using filters or aqua-guard; (c) pressure good enough to reach everywhere in the house (up to four stories and tanks on the roof); (d) meters in working condition and payment according to the quantity of water consumed; and (e) a good sewerage system with cleaner surroundings and no problem of sewer backflow or drinking water getting contaminated by sewer water.

Specially designed payment cards were used to elicit the respondent’s WTP with an ordered set of monthly payments (water and sewerage bill) shown in the cards for various levels of service. The respondent was asked to tick the highest payment level (out of the list) he/she considered as acceptable payment for the improved level of services in a range of Rs 50/month to Rs 1,000/month. The four levels of services, ranging from A4 at present to A1 as the best service level possible, were specified in the cards: – A4 level: six to eight hours of daily supply; pressure and water quality as existing at present – A3 level: six to eight hours of daily supply and good water pressure; water quality as existing at present – A2 level: six to eight hours of daily supply, good water pressure, and potable quality water – A1 level: 24 hours of daily supply, good water pressure, and potable quality water

The WTP corresponding to level A1 services was specifically asked in the pilot zones (south II and III) and WTP for level A2 services was asked in the rest of DJB zones.

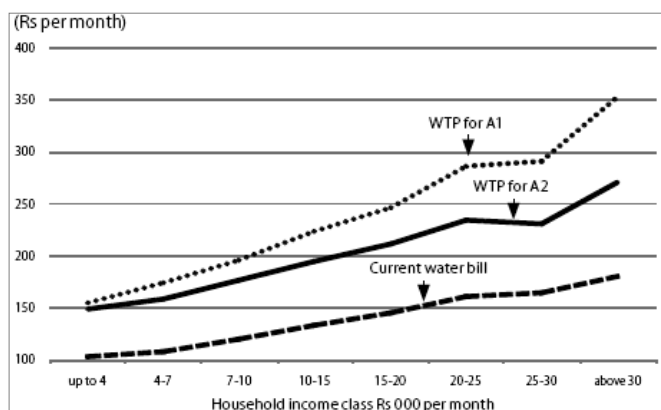
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3 Ahmad et al (2003); Casey et al (2006); Raje et al (2002); Whittington et al (2002).

The average willingness to pay for improved WSS services across Delhi (all zones) is found to be Rs 130 to 240 per month in low-income households in authorised colonies (households residing in Janta flats, type II government quarters and LIG flats), and Rs 290 to 368 in high-income households (HIG flats and plotted house over 300 sq m)<sup>4</sup>. The average willingness to pay for authorised colonies, taking all categories of households together, is Rs 215 per month. The average willingness to pay for improved services is about Rs 163 per month in underserved areas, excluding the JJ clusters. As compared to the average water bill (about Rs 140 per month, combining authorised and underserved colonies), the average willingness to pay is substantially higher, reflecting thereby a strong demand among consumers for an improvement in the level of services.

It may be useful to compare the above estimates with WTP of households in the pilot zones (south II and III). For authorised colonies, the estimates of WTP for improved services (A1 level, i.e., 24/7) is in the range of Rs 198 to 281 per month for low income households (households residing in Janta flats, type II government quarters and LIG flats) and Rs 322 to 361 per month for high income households (HIG flats and plotted house over 300 sq m). The average WTP for authorised colony households is Rs 258 per month for the A1 level of service and Rs 246 per month for the A2 level of service, which is comparable with the estimate for entire Delhi presented above. The average willingness to pay for improved services in underserved areas of the pilot zones, excluding the JJ clusters, is about Rs 180 per month for an A1 level of service. For an A2 level of service, which is comparable with the estimate presented above, the average willingness to pay is about Rs 172 per month. Evidently, the willingness to pay for improved services is higher in the pilot zones as compared to that for Delhi as a whole, even after controlling for the level of improvement in service.<sup>5</sup> A comparison of WTP (Rs per month) by household income class for A1 and A2 level of services is presented in Figure 8.

**Figure 8: Household Water Bill and Willingness to Pay for Improved WSS Services**



4 The estimates of average WTP have been derived from the econometric models estimated from survey data.

5 It should be noted that for both authorised and underserved colonies, the estimated average coping cost per household is relatively higher in south II and III zones. It is Rs 224 per month for south II and III, as compared to Rs 189 for Delhi underserved colonies. For authorised colonies, the corresponding figures per household are Rs 267 per month (south II and III) and Rs 184 per month (Delhi).

For households in JJ clusters, the study made an assessment of their willingness to pay for group connections. Since there are legal difficulties in providing them with private connections from the DJB, this may be a useful option for improving services to such households. For group connections, the average willingness to pay per household is found to be Rs 75 per month. Comparison of estimated average willingness to pay for 24/7 supply and that for six to eight hours daily supply (high pressure and potable quality assured) indicates that the households do place a value on 24/7 water supply as against six to eight hours daily supply. Making such comparison for different income groups, it appears that the value of 24/7 supply is relatively much greater among high-income households (i.e. households earning above Rs 20,000 per month).

## **5. Household Affordability for Improved Services**

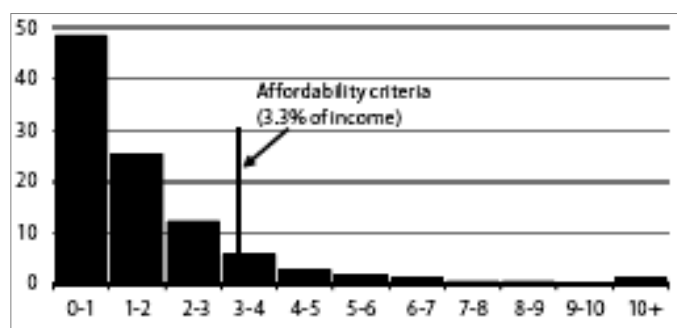
The methodology adopted for determining the affordability for improved WSS services in Delhi is based on a number of recent studies undertaken in the UK, wherein the affordability criterion has been taken as 3 percent of income [Hillyard and Scullion 2005; Sawkins and Dickie 2002; Fitch 2003]. This criterion is based on the ratio of water bill to income of the bottom 30 percent of households [Fitch 2002]. The underlying assumption is that if poor households can pay 3 percent of their income towards water bill, then households with higher income can also spend 3 percent of their income on water bill. Using data from the Delhi household survey, the average household water expenses as a proportion of the household income is computed for the low-income households (defined as households with income up to Rs 7,000/month, accounting for about 40 percent of the sample). The average ratio so obtained is taken as the affordability criteria. Accordingly, to analyse the household affordability of the cost of improved services, three ratios have been examined:<sup>6</sup> (a) ratio-1: water bill as a proportion of income; (b) ratio-2: water bill and operating cost (electricity charges) of booster pumps as a proportion of income; and (c) ratio-3: water bill, operating cost of booster pumps, cost of water purchased and maintenance cost of large storage as a proportion of income.

The three ratios correspond to three possible scenarios that might emerge after the implementation of the proposed improvements in water supply and sewerage services in Delhi. Ratio-1 corresponds to a scenario in which improvements in water supply do not lead to any savings in coping costs of households (for example, consumers continue to use their booster pumps). Ratio-2 corresponds to a scenario in which water supply improvements enable most consumers to save operating cost (electricity charges) of booster pumps. Ratio-3 corresponds to a scenario in which improvements in water supply enable households to save operating cost of booster pumps, cost of water purchased and maintenance cost of large storages. The three ratios and corresponding three possible scenarios represent the immediate effect, short-term effect and longer-term effect of improvements in water supply. These ratios show how the affordable water bill will increase over time as reductions in coping costs take place and the households realise their gains.

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<sup>6</sup> This is much higher than the figure of Rs 4,000 million mentioned earlier because it takes into account the 20 percent improvement in the efficiency of apex and 33 percent improvement in the efficiency of capex.

**Figure 9: Ratio of Water Bill and Operation Costs of Booster Pumps to Income, Distribution of Households (% households)**



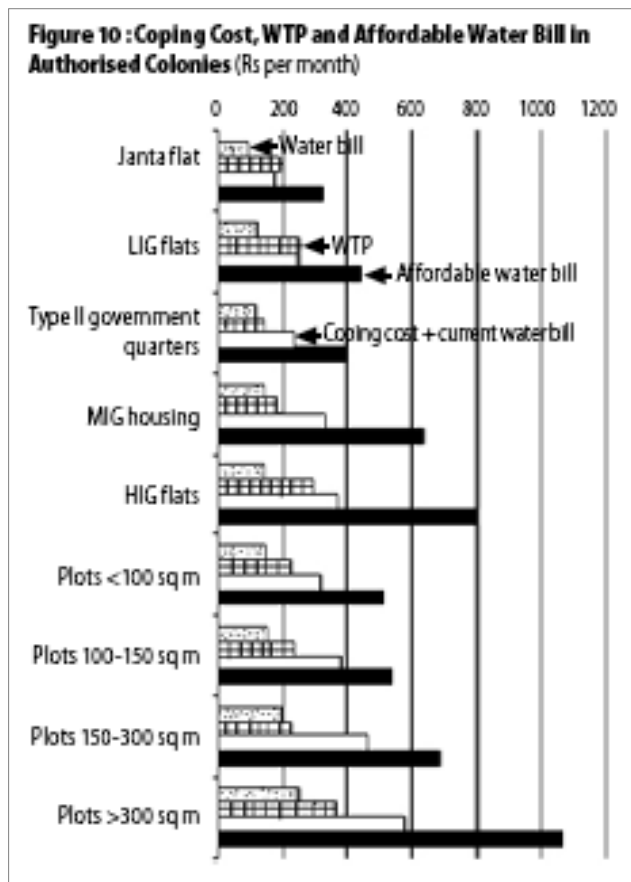
**Table: Comparison of Coping Cost, WTP and Affordable Water Bill, by Household Category**

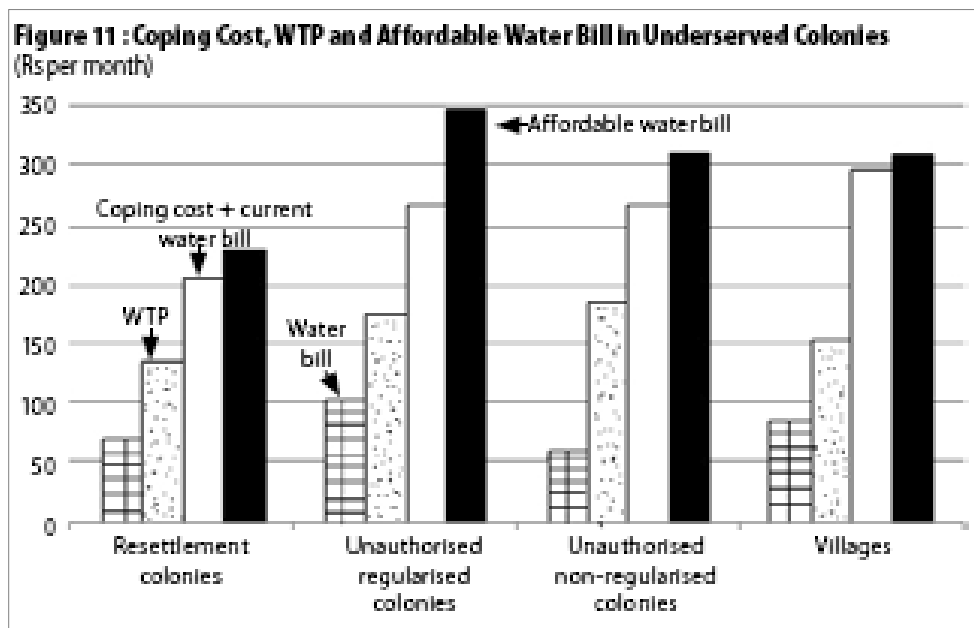
Household Category	Coping Cost	WTP	Affordable Water Bill
Janta flat	83	190	317
LIG flat	129	244	434
Type II government quarters	125	134	391
MIG housing	188	180	634
HIG flats	234	291	803
Residential plots less than 100 sq m	169	224	508
Residential plots 100-150 sq m	227	235	540
Residential plots 150-300 sq m	258	224	684
Residential plots more than 300 sq m	333	368	1061
Authorised colonies	184	215	560
JJ clusters	203	75	113
Resettlement colonies	135	134	228
Unauthorised regularised colonies	165	173	347
Unauthorised non-regularised colonies	206	186	311
Rural and urban villages	212	152	310
Underserved colonies	189	140	257
All households	187	170	394

Studying the expenditures on the water bill and running cost of booster pumps borne by low-income households in relation to their income, an affordability norm has been derived for the



Delhi households, which has been used to carry out the affordability analysis. The norm adopted is 3.3 percent of income (Figure 9). Results of the affordability analysis clearly brings out that the affordable water bills are well above the charges currently being imposed and the amounts that the respondents have said they are willing to pay. According to the estimate made in the study, the average affordable water bill of households in authorised colonies is Rs 560 per month, which is much more than their average willingness to pay. For households in underserved colonies, the average affordable water bill (Rs 257 per month) is about 80 percent higher than the average willingness to pay. The average willingness to pay is in turn higher than the current water bill. Accordingly, it may be concluded that even if the households are required to bear the cost of service improvements, the water charges will be well within the affordable limits. It is evident that as compared to the current water bill, households are willing to pay much more for improved services but this is well below the total water related costs they are currently incurring and the level of payment they can afford for improved services (Figures 10 and 11).





## 6. Potential Resource Saving from WSS Efficiency Improvements

If one aggregates the coping costs obtained in this study of all categories of customers, it can be estimated that a total of Rs 5,000 million per year is spent on substitutes to the piped water supply service, of which Rs 4,500 million per year is in cash for investment and operating costs and an additional Rs 500 million per year is in time spent for fetching water.<sup>7</sup> These figures are to be compared with DJB operating costs of about Rs 5,500 million per year, of which only Rs 4,000 million per year are currently covered by the collection of user charges and an additional Rs 1,500 million per year are being provided as operating subsidies by the government of Delhi. The latter also makes an average Rs 7,500 million per year available to the DJB for capital expenditure projects. Altogether a total of Rs 13,000 million per year is injected in the water supply and waste water sector in Delhi of which only Rs 8,500 million per year (or 65 percent) goes to the DJB and only Rs 4,000 million per year (or about 30 percent) comes from user charges.

Is it possible to envisage, as it is the case for all well run water and waste water utilities in the world, that all the cash injected in the sector accrues to the DJB to cover its operation and maintenance cost (opex) and its capital expenditure (capex) without burdening further the water supply and sanitation budget of the customers?

<sup>7</sup> Service improvements will help consumers reduce the huge coping costs they currently bear and effect an overall cost saving for the system. It seems that under favourable circumstances, this gain could be as high as Rs 4,000 million (\$ 89 million) per year.

Given the existing inefficiencies in the WSS system, there is considerable scope for downsizing opex and capex. It is reasonable to envisage that energy efficiency and outsourcing programmes could reduce DJB opex by as much as 20 percent down to Rs 4,500 million per year. Similarly, better planning of infrastructure development and improved design criteria to systematically seek the least cost option could save up to one-third of DJB capex and reduce it to an average Rs 5,000 million per year to achieve the same output. Assuming that such savings could be achieved over a period of about seven years and that improvement of the public piped water and sewerage service could eliminate the need for relying on substitutes altogether, the amount of cash currently injected in the sector by customers could cover 100 percent of DJB opex and contribute 80 percent to DJB capex. Of course, achieving such efficiency gains would require investment to address some of DJB's systemic technical, commercial and financial problems. Investing Rs 4,250 million per year for seven years (equivalent to about \$ 700 million) for this purpose would yield an internal rate of return of 25 percent. The overall saving of resources under such an "optimistic scenario" is about Rs 8,000 million (\$ 178 million) per year, to be achieved from the seventh year onwards<sup>8</sup> (details presented in Annex 3). Evidently, significant social gains are expected by improving efficiency of the WSS service delivery system.

Even in a less optimistic scenario that considers reducing DJB opex by 10 percent only to Rs 5,000 million per year and DJB capex by 20 percent only to Rs 6,000 million per year and limiting DJB collection from customers to the "assessed willingness to pay" of about Rs 6,000 million per year, yielding an internal rate of return not lower than 25 percent would still allow an annual investment of about Rs 2,900 million per year for seven years (equivalent to \$ 450 million) to fix DJB operations. In such a scenario, which is more realistic, the overall saving of resources is about Rs 5,500 million (\$ 122 million). Thus, investments which are required to: (i) address DJB's systemic technical, commercial and financial management problems; (ii) reduce DJB opex and capex costs; and (iii) direct most of the cash injected in the WSS sector to finance DJB operations (by eliminating the need for investing and operating customer substitutes) are fully justified by the high return they would yield and the limited financial effort customers would be requested to make (details presented in Annex 3).

## 7. Concluding Remarks

The study on consumer coping costs, WTP and affordability clearly shows that domestic and non-domestic consumers in Delhi are bearing a huge cost to cope with the inadequacies of water supply and sewerage services currently being provided. Nearly one-fifth of households in authorised colonies are making use of additional water sources, such as their own borewells, housing society borewells or bottled water. Domestic consumers face considerable difficulties due to limited hours water supply, low pressure and water quality problems. These problems have compelled the consumers to invest in large storage, booster pumps, filters and aqua-guards.

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<sup>8</sup> This is much higher than the figure of Rs 4,000 million mentioned earlier because it takes into account the 20 percent improvement in the efficiency of opex and 33 percent improvement in the efficiency of capex.

Taking authorised and underserved colonies together, the average coping cost borne by households is about Rs 187 per month or about Rs 10 per kl of water consumed. Turning to nondomestic consumers, the average coping costs borne by commercial, industrial and institutional consumers is between Rs 18/kl and Rs 47/kl. By contrast, the operating cost of water supply by the DJB is about Rs 6 per kl. This points to the existence of significant resource use inefficiency.

The survey data reveal that the consumers are willing to pay much more for improved services than what they are paying now. The average willingness to pay for authorised colonies, taking all categories of households together, is about Rs 215 per month and that for underserved areas excluding the JJ clusters is about Rs 163 per month. These significantly exceed the average water bill (about Rs 140 per month) reflecting thereby, a strong demand among consumers for an improvement in the level of services. For households in JJ clusters, the average willingness to pay for group connections per household is found to be Rs 75 per month, signifying that such an arrangement will help convert the slum-dwellers into paying customers of DJB and thus reduce non-revenue water.

Affordability analysis brings out that even if the households are required to bear the cost of service improvement, the water charges will be well within the affordable limits. According to the estimate made in the study, the average affordable water bill of households in authorised colonies is Rs 560 per month, which is more than twice the average willingness to pay. For households in underserved colonies, the average affordable water bill is about 80 percent higher than the average willingness to pay. The average willingness to pay is in turn much higher than the current water bill.

The study demonstrates that significant social gains are expected by improving efficiency of the WSS service delivery system. Taking into consideration possible energy efficiency improvements and least cost design of infrastructure, the reduction in operating expenditures and capital expenditures are likely to be about 20 percent and 33 percent, respectively. Such an improvement of the public piped water and sewerage service could eliminate the need for customer coping strategies altogether and the amount of cash currently injected in the sector by customers could cover 100 percent of DJB operating expenditures and contribute 80 percent towards DJB capital expenditures. Such an “optimistic scenario” also allows investment of about Rs 4,250 million per year for seven years (equivalent to \$ 700 million) to address some of DJB’s systemic technical, commercial and financial problems, yielding an internal rate of return of 25 percent and an overall saving of resources of Rs 8,000 million per year. However, even assuming a more “realistic scenario” with slower efficiency improvements will allow for an annual investment of a maximum of Rs 2,900 million per year for seven years (equivalent to \$ 450 million) to fix DJB operations and at the same time, yield an internal rate of return of 25 percent, with an overall saving of resources of about Rs 5,500 million per year. Overall, a saving of Rs 5,500 to Rs 8,000 million per year is expected, depending on the efficiency improvements and other reforms that could be undertaken by the DJB.

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### Annex 1

- **Definitions of Domestic Consumer Categories JJ clusters** are informal settlements without any secured land tenure and infrastructure facilities. These settlements are primarily encroachments on public land. The JJ clusters may include some notified settlements. Generally, water facilities are provided at community level through public hydrants and tankers free of cost. No sanitation arrangements are made by DJB.

**Resettlement colonies** are set up to resettle squatter families (evicted from public land) in planned areas and are given a plot on lease. They are provided with individual connections for water and sewerage by DJB and charged flat rates of Rs 40 per connection.

**Unauthorised non-regularised colonies** are settlements on land not specified for residential use in the master plan and whose land subdivision is not legally recognised. There is no policy for individual water and sewerage connections, as in many cases the land notified by the Delhi Development Authority (DDA) has been illegally sold/occupied. Water supply facilities are provided at community level through public hydrants and tankers free of cost. Water supply through tube wells and hand pumps are also organised from private sources.

**Unauthorised regularised colonies** are those unauthorised colonies, which were formed before 1977 and regularised by the government. Individual connections are provided for water supply and sewerage on payment of development charges.

**Urban villages** are villages that are surrounded by urban settlements. The rural settlements that have become part of urban area have been declared as "urban villages" under the Delhi Municipal Corporation Act, 1957. Water supply is provided by DJB/NDMC/DCB on an individual basis at flat rates.

**Rural villages** are those areas where land use type predominantly remains agricultural. MCD/NDMC provides basic civic services in these areas and DJB provides individual connections at flat rates.

**Flatted developments** include all dwelling units built by DDA and Central Public Works Department on plots of land more than 3,000 sq m and all dwelling units built by cooperative group housing societies. All other residential developments are considered as plotted housing.

*Annex 2: Domestic and Non-Domestic Coping strategies and Costs***Table A1: Domestic Coping Strategies and Costs**

	Authorised Colonies	Un-authorised Colonies
% of Households that have invested in borewell	4	12
Pump	58	45
Overhead reservoir	46	46
Water Filter	48	10
Investment in Water related assess per household (Rs)	5541	2902
% of Households incurring expenses on bottled water/vendor supplied water	4	4
Boiling of Water	7	7
Filters	49	24
Boosters (electricity)	73	44
Cleaning and maintenance of sewage disposal	..	46
Average recurring expenses per month (Rs)	101	82
Interest and depreciation cost of water related assets per month (Rs)	83	44
Opportunity cost of time spent for water collection (Rs/month)	-	63
Total Cost per month (Rs)	184	189

**Table A2: Non-domestic Coping Strategies and Costs**

	Industrial	Commercial and institutional	All Non-Domestic Consumers
% of consumers that have invested in borewell	41	20	30
Pump	54	33	43
Overhead reservoir	72	48	60
Sump	11	5	7
Water Filter	11	13	12
Investment per consumer (Rs)	6974	4539	5709
% of consumers incurring expenses on purchase of additional water	46	27	36
Average expenses on additional water purchase made by such consumer (Rs per month)	1283	1050	1177
Recurring expenses per consumerper month (Rs) Water purchase (Rs/month)	589	270	423
Expenses on maintanents of water related assets (Rs./Month)	47	34	41
Expenses on Electricity for running booster (Rs./Month)	166	107	136
Total recurring cost per month (Rs.)	802	411	600
Interest and depreciation cost of water related assets per month (Rs.)	105	68	86
Total coping cost per month (Rs.)	907	479	686

**Article No. 12 (Likely Impact of Reforming...Smita Sharma)**

**Annex 3 : Potential resource saving from WSS efficiency improvements (Rs. Millions, Rs. 1 million = \$ 0.022 Million)**

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Cash injected in WSS sector without reform for ... DJB Opex	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500	5500
DJB Capex	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500
Substitutes by Customers	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500
by.. Customer DJB Collection	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
Substitute	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500
GoNCTD DJB operating subsidy	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
DJB development grant	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500
	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500	17500
With reforms optimistic scenario for . DJB Opex	5500	5350	5200	5050	4900	4750	4600	4500	4500	4500	4500	4500	4500	4500	4500
DJB Capex	7500	7150	6800	6450	6100	5750	5400	5000	5000	5000	5000	5000	5000	5000	5000
Substitutes by Customers	4500	3850	3200	2550	1900	1250	600								
	17500	16350	15200	14050	12900	11750	10600	9500	9500	9500	9500	9500	9500	9500	9500
Financed by.. Customers DJB Bills & Arrears	4000	4650	5300	5950	6600	7250	7900	8500	8500	8500	8500	8500	8500	8500	8500
Substitutes	4500	3850	3200	2550	1900	1250	600								
GoNCTD DJB Operating subsidy	1500	700													
DJB development grant	7500	7150	6700	5550	4400	3250	2100	1000	1000	1000	1000	1000	1000	1000	1000
Investment to address	4250	4250	4250	4250	4250	4250	4250								
Systemic problems	21750	20600	19450	18300	17150	16000	14850	9500	9500	9500	9500	9500	9500	9500	9500
Financial IRR 25%	-4250	-3100	-1950	-800	350	1500	2650	8000	8000	8000	8000	8000	8000	8000	8000
With reform (more realistic scenario) for DJB opex	5500	5400	5300	5200	5100	5100	5100	5000	5000	5000	5000	5000	5000	5000	5000
DJB capex	7500	7300	7100	6900	6700	6500	6300	6000	6000	6000	6000	6000	6000	6000	6000
Substitutes by customers	4500	4000	3500	3000	2500	2000	1500	1000	1000	1000	1000	1000	1000	1000	1000
	17500	16700	15900	15100	14300	13600	12900	12000	12000	12000	12000	12000	12000	12000	12000
Financed by Customers DJB bills and arrears	4000	4300	4600	4900	5200	5500	5800	6000	6000	6000	6000	6000	6000	6000	6000
Substitutes	4500	4000	3500	3000	2500	2000	1500	1000	1000	1000	1000	1000	1000	1000	1000
GoNCTD DJB operating subsidy	1500	1100	700	300											
DJB development grant	7500	7300	7100	6900	6600	6100	5600	5000	5000	5000	5000	5000	5000	5000	5000
Investment to address	2900	2900	2900	2900	2900	2900	2900								
Systemic problems	20400	19600	18800	18000	17200	16500	15800	12000	12000	12000	12000	12000	12000	12000	12000
Financial IRR 25%	-2900	-2100	-1300	-500	300	1000	1700	5500	5500	5500	5500	5500	5500	5500	5500

(Article courtesy: Economic and Political Weekly, Vol. 43, No. 41)

# Basic Rights of Drinking Water and Sanitation

*Gyana Ranjan Panda\**

The Universal Declaration of Human Rights (1948) recognises the inherent dignity and the equal and inalienable rights of all human beings. There are certain basic needs that are essential for a dignified life. Water and sanitation is the basic need of an individual for living a dignified life and creating a clean environment which is recognised as a fundamental human right. Besides, the International Covenant on Economic, Social and Cultural Rights (ICESCR) which came into force in 1976 also calls upon states to take ‘legislative, administrative and other action progressively’ to ensure that ‘every human being within its jurisdiction’ has access to adequate water, ‘to the maximum of its available resources’ (Article 2 of ICESCR). The Millennium Development Goals (MDGs) Seven (7) entitled “*Ensuring Environmental Sustainability*” also reinforces the basic human rights and called upon all the member countries of UN to provide ‘safe’ and ‘sustainable’ drinking water as well as basic sanitation to all the world. The Constitution of India recognises “the Right to Life with Dignity” in Article 21. This particular article has extended the domain of human rights to pollution free water and air in various Supreme Court judgments, viz. *M.C. Mehta v Union of India*, AIR 1987 SC 1087 & *B.L.Wadhera v. Union of India*, AIR 1996, SC 2969. Beside this, the Directive Principle of State Policy also empowers the ‘State’ to take necessary positive action to mobilise material resources for the common good (Art. 39, Clause b) and authorises the *Panchayati Raj* System to do various programmes for ensuring pure drinking water and sanitation in the 11<sup>th</sup> and 12<sup>th</sup> Schedule of the Constitution.

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Notwithstanding all the necessary legal and constitutional mandates, the UNICEF data suggests that almost 17 percent of the world’s population lacks access to improved water services and about 40 percent lacks adequate sanitation (Progress for Children, UNICEF December 2007). In the world statistics the south Asian region is considered to be the lowest at par with Sub-Saharan Africa.

**Coverage of Drinking Water and Basic Sanitation in South Asia against Millennium Development Goals in the Year 2004**

	Use of improved source of drinking water (%)	MDG Targets in 2015*	Use of improved Sanitation facilities (%)	MDG Targets in 2015*
Afghanistan	39	52	34	52
Bangladesh	74	86	39	60
Bhutan	62	79	70	83
India	86	85	33	57
Maldives	83	98	59	76
Nepal	90	85	35	56
Pakistan	91	92	59	69
Sri Lanka	79	84	91	85
South Asia	85	86	37	59
World	83	89	59	75

Sources: UNICEF, Progress For Children, Number 6, December 2007.

\*MDG targets: Halve by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation

India endeavours to provide safe drinking water and basic sanitation to every habitat in rural areas. This was long administered through two Centrally Sponsored Schemes (CSS) viz., Accelerated Rural Water Supply Programme (ARWSP) and Total Sanitation Campaign (TSC). Taking the importance of the schemes into consideration, the Central Government created a separate Department i.e. Department of Drinking Water and Sanitation (DDWS)--under Ministry of Rural Development in 1999 whose principal mandate was to implement and supervise these two schemes.

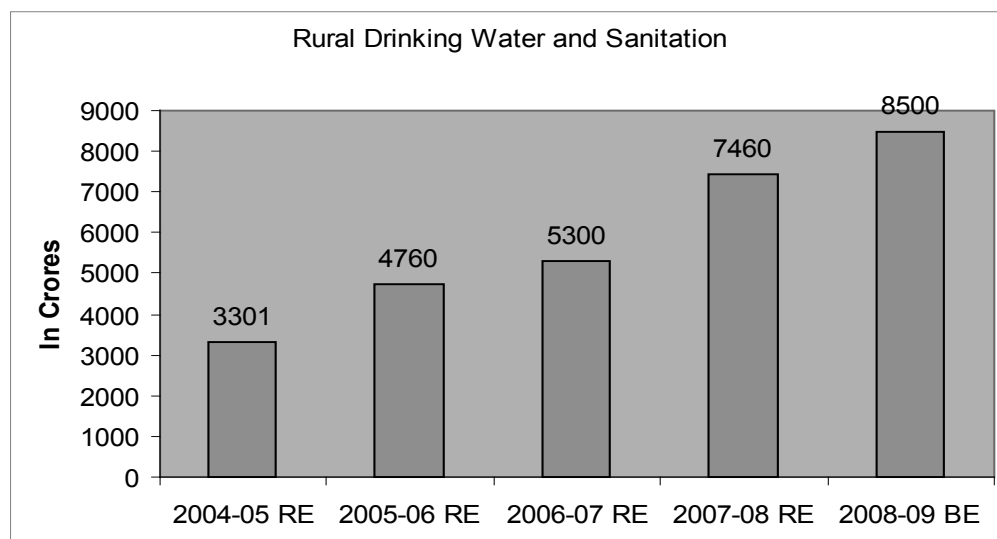
**Rights to Drink Safe Water and ARWSP**

Since 1972-73, the Government of India has been implementing the ARWSP to assist the states and union territories with 100 percent grants in aids to implement drinking water supply scheme in various critical areas. The entire programme was given a mission approach when the technology mission on drinking water management introduced as the National Drinking Water Mission (NDWM). NDWM was further named as Rajiv Gandhi Drinking Water Mission (RGNDWM) in 1991. Presently, it is a core component of the Bharat Nirman Programme which has set the target of achieving 55,067 uncovered habitation and about 2.8 lakh slipped-back habitation as well as to ensure the term ‘safe’ in the 2.17 lakhs quality affected habitations.

However, the available statistics show that only 52 percent of the target has been achieved against the Bharat Nirman targets negating the Central government claim of providing ‘universal’ access to ‘safe’ and ‘sustainable’ drinking water. As per information available from states/UTs till November 2007-08 suggest that only 4,548 uncovered and 31,411 slipped-backed habitation have been covered and 44,563 quality-affected habitations have been addressed so far. (Response to union budget 2008-09, CBGA).

Where is the problem? The Chief Audit Agency (Comptroller Auditor General of India) in its recent performance audit of the Rajiv Gandhi Drinking Water Mission cites several examples of corruption, fraud, poor monitoring and surveillance of the water quality. There is also blatant violation of the norms and guidelines of the scheme. Above all, there is a massive under utilisation of the allocated funds in the RGNDWM. The CAG’s indictment, based on a performance audit of over 2,000 projects in 153 districts in 26 states, says that “states (are) not paying adequate attention to water quality, with no or inadequate infrastructure for testing at the district level, and non-compliance with the periodic testing requirements.”

With regard to the specific cases, the CAG finds that in Uttarakhand, Rs 22.28 cr meant for quality control was diverted to other projects; In Bankura district of West Bengal, there was no periodic testing of water supplies in 29 projects despite the region being fluoride-affected. In Uttar Pradesh, the UP Jal Nigam ordered 25 lakh hydrogen-sulphide vials to test for bacteria in water. As many as 19.30 lakh vials lie unused. Besides, 98 projects with expenditure worth Rs 50.71 crore meant to monitor water quality are incomplete for periods ranging from two to 13 years. There are score of problems cited by the CAG on the overall performance of the ARWSP. However, looking at the budgetary allocation of the RGDWM for the last fours, one can find out that there is considerable increase in the budgetary estimates.



Source: Expenditure Budget (Volume II) for various years

## Right to Basic Sanitation and TSC

In the International Year of Sanitation (2008), the Government of India claims the implementation of (Total) Sanitation Campaign in most of the districts successfully; it is being implemented in 578 districts from total 610 districts. This scheme is considered to be one of the Flagship Schemes undertaken by the United Progressive Alliances (UPA) Government in the perspective of rural development as well as in honouring India's commitment to meet the Millennium Development Goals (MDGs) to halve the proportion of people without sustainable access to safe drinking water and basic sanitation by 2015. Besides this, the TSC has itself set a target to achieve 100 percent rural sanitation by the end of the Eleventh Plan by 2012. The 100 percent sanitation coverage is in terms of household toilets, schools and *Anganwadi* toilets, and also providing hygiene education to the people. The TSC programme is in its ninth years of implementation with a total outlay of Rs. 13,426.24 crore. It aims to build 11.84 crore Individual Household Latrines (IHHL), 11.21 lakhs schools toilets, 4.11 lakhs *Anganwadi* toilets, and 27,661 Sanitary Complexes. However, the total achieved performances so far on the above components are 3.87 crore IHHL (32.73%); 4.93 lakhs schools toilets (44%); 1.56 lakhs *Anganwadi* toilets (38.11); and 11,942 Sanitary Complexes.

The Mid-term review report, annual report as well as the outcome budget underlined many challenges faced by the Total Sanitation Campaign (TSC). Some of the important findings are the moribund state of the PRIs in many states along with low level of priority attached by political as well as administrative machinery causing slow implementation of the TSC programme; the low motivation in many grassroot level implementing machinery; non-release of state share by some states; lack of emphasis on inter-personal communication at village level; inadequate capacity building and human resources at implementation level, etc. However, the most important problem is the delay in the fund flow with regard to states' share along with Centre's share to the district unit. This causes delay in the utilisation of the first or second installments in many districts, resulting poor progress in the TSC coverage and negating the right of accessing basic sanitation to the citizen.

To sum up, human rights are those rights which are quite essentials for the human being to attain dignified life. Each and every Indian is entitled to have access to safe drinking water and basic sanitation as part of the human rights commitment and obligation adhered by India under national as well as international law in ensuring dignified living. However, the present implementation position of the Central Sponsored Schemes (CSS)—ARWSP and TSC—have just not done enough to ensure the rights to drink safe water and basic sanitation for the common man.

# Water Supply and Sanitation: A Budgetary Perspective in India

*Trisha Agarwala\**

**W**ater supply and sanitation is strongly intertwined with health, education, infrastructure as well as social and economic justice. In fact, it impacts and affects all segments of the society especially women and backward classes. The sector is even more pertinent, keeping in mind that the current year 2008 has been declared the International Year of Sanitation and the years 2005-2015 as the “Water for Life Decade” The SACOSAN III (Third South Asian Conference on Sanitation) held in New Delhi in November 2008, brought into focus this much ignored sector. The Delhi Declaration which came out as a result of SACOSAN-III has called for ‘recognising access to sanitation and safe drinking water as a basic right’. Although, this is a positive step in terms of policy, however, one also needs to analyse the financial allocations and expenditure made in order to get a true picture on the sector.

- I. **Current Water and Sanitation Scenario:** A stark reality of sanitation is that the share of population practicing ‘open defecation’ in rural areas in 2006 is the most in South Asia (63 percent) which is even lower than Sub-Saharan Africa (39 percent). Among the South Asian countries, an estimated 74 percent of rural population in India practice ‘open defecation’ as shown in Table Ia below.

**Table Ia: Practice of ‘Open Defecation’ in Rural Areas, 2006**

(in percent)

Region/Country	Estimated Population Practicing ‘Open Defecation’ in Rural Areas
Sub-Saharan Africa	39
South-Asia	63
India	74
Pakistan	45
Bangladesh	14

**Source:** Joint Monitoring Programme on Water and Sanitation-UNICEF & WHO, 2008; Progress on Drinking Water and Sanitation: Special Focus on Sanitation

\* The researcher is associated in Centre for Budget and Governance Accountability.

When compared to neighbouring countries, Bangladesh and Pakistan, water and sanitation indicators are also found to be low in India. Table 1b highlights the findings of the three countries:

**Table 1b. Water and Sanitation Indicators, 2004**

(in percent)

Country	India	Pakistan	Bangladesh
*Population using improved sanitation	33	59	39
#Population using an improved water source	86	91	74

**Source:** Human Development Report 2007/08, UNDP

\* The percentage of the population with access to adequate excreta disposal facilities, such as a connection to a sewer or septic tank system, a pour-flush latrine, a simple pit latrine or a ventilated improved pit latrine. An excreta disposal system is considered adequate if it is private or shared (but not public) and if it can effectively prevent human, animal and insect contact with excreta.

# The share of the population with reasonable access to any of the following types of water supply for drinking: household connections, public standpipes, boreholes, protected dug wells, protected springs and rainwater collection.

According to the World Health Organisation (WHO), there are at least 25 major water and sanitation related diseases in the world in which diarrhoeal disease alone is responsible for the death of 1.8 million people every year (WHO, 2004). These facts only show how neglected the sector has been in the country. How then does the India measure up to attaining the Millennium Development Goals (MDGs) and seeking to halve the proportion of people without sustainable access to safe drinking water and full sanitation by 2015? A close look at the initiatives made by the Government as well as assessing the level and type of expenditure made in the sector in the past five years would be taken.

- II. **Recent Developments in Rural Water and Sanitation Schemes and Programmes:** To get a comprehensive understanding of the sector, it is essential to examine the policies and schemes that have been framed to this effect. The government aims to achieve its water supply and sanitation targets by 2012 which is the end of the Eleventh Five Year Plan period. A brief chronology of programmes and missions in the water and sanitation sector is given in the Table II below.

**Table II: Chronology of Water and Sanitation Programmes**

Year	Programme
1954	National Water Supply and Sanitation Programme
1972-73	Accelerated Rural Water Supply Programme (ARWSP)
1986	-National Drinking Water Mission -Central Rural Sanitation Programme (CRSP)
1992	-Rajiv Gandhi National Drinking Water Mission (RGNDWM) -73 <sup>rd</sup> Constitutional Amendment transferred drinking water to <i>Panchayati Raj</i> Institutions (PRIs)
1998	Sub-missions for Water Quality
1999	-Department of Drinking Water Supply (DDWS) created under Ministry of Rural Development (MoRD) -Total Sanitation Campaign (TSC); School Sanitation & Hygiene Education (SSHE) Programme

2002	- <i>Swajaldhara</i> /Sector Reforms -Community Led Total Sanitation (CLTS)
2005	<i>Bharat Nirman</i> -component of creating drinking water infrastructure in rural areas
2006	National Rural Drinking Water Quality Monitoring & Surveillance Programme (NRDWQM & SP)

Source: Ministry of Rural Development, Gol

III. **Budget Highlights:** The current Interim Budget of 2009-10, however, does not show any increase in allocations to the sector, which is a cause for concern. A close look at the water supply and sanitation data of the past five years will give us a clear indicator on the present Government's policy priorities on a much neglected but extremely crucial sector.

- In the water supply and sanitation sector, the allocations for rural water supply (Rs. 6,570 crore, 2009-10 BE) and rural sanitation (Rs.1,080 crore, 2009-10 BE) have remained the same as last year. Since the year 2008, was the International Year of Sanitation and 2009 marks the decadal year of the Total Sanitation Campaign, this is a point of concern.
- In urban water supply and sanitation, for the 'Integrated Low Cost Sanitation Programme' a Centrally Sponsored Scheme for the replacement of dry latrines into water borne flush toilets and the rehabilitation of workers engaged in manual scavenging, (the RE 2008-09 has been drastically cut down from Rs. 150 crore, BE 2008-09 to a meager Rs. 40.03 crore, RE 2008-09. However, for provision of solid waste management near airports in few selected cities, the BE 2009-10, has been increased to Rs. 12.56 crore from Rs 0.01 crore, RE 2008-09 which signifies a positive development.

IV. **Promises Made by UPA and its Policy Initiatives:**

- The finance minister in his budget speech last year had proposed to enhance the allocation for the two Flagship schemes- Rajiv Gandhi Drinking Water Mission (RGDWM) to Rs.7,300 crore with an initial outlay of Rs.200 crore and for Total Sanitation Campaign (TSC) to Rs.1,200 crore (including the Northeastern region component). **In the 2009-10 budget speech, the allocation for both the schemes has remained the same except for RGDWM where it has been increased slightly to Rs.7,400 crore.**
- The National Common Minimum Programme (NCMP) through *Bharat Nirman* had also promised a time-bound plan to build rural infrastructure, under which rural drinking water was a major component. The time period for which the targets were set was 2005-06 to 2008-09.
- The Eleventh Plan targets to 'provide clean drinking water for all by 2009 and ensure that there are no slip-backs by the end of the Plan period'. It aims to provide 100 percent coverage of water supply to rural schools and 100 percent water supply to the entire urban population by the end of the Eleventh Plan in 2012.
- For sanitation, the Eleventh Plan targets to build 7.29 crore individual toilets in rural areas. Under TSC, the target is to achieve 100 percent coverage by 2,012. The physical target is to cover 69 million households, 25769 sanitary complexes, 1,33,114 *balwadis/langanwadis*, all the remaining schools and rural sanitary marts and production centres. The target fixed

for urban sanitation is 100 percent population coverage with 70 percent covered by sewerage facility and 30 percent by low-cost sanitation. For Solid Waste Management (SWM) 100 percent population is proposed to be covered.

#### V. Public Spending on the Sector:

- a) **Public Spending During 2003-04 to 2008-09:** The total expenditure on water supply and sanitation as a proportion to the union budget is miniscule as observed in Table Va.

**Table Va: Total Expenditure on Water Supply & Sanitation from the Union Budget**

(In Rs. Crore)

Year	Revenue Expenditure	Capital Outlay	Total	As % of GDP
2003-04	1213.92	5.00	1218.92	0.044
2004-05	1785.67	1.65	1787.32	0.057
2005-06	2149.11	0	2149.11	0.060
2006-07	2227.15	0	2227.15	0.054
2007-08	3162.10	0	3162.10	0.067
2008-09 RE	3400.91	0	3400.91	0.063
2009-10 BE	3413.56	0	3413.56	0.057

**Source:** Annual Financial Statements from 2004-05 to 2008-09, [www.indiabudget.nic.in](http://www.indiabudget.nic.in)

The total expenditure on Rural Water Supply and Sanitation as a proportion of total Union government expenditure for the last 5 years has shown a modest increase. For 2007-08, it was 1.05 percent and this has shown an increase of 1.13 percent in 2008-09 (Table Vb.)

**Table Vb: Union Government's Expenditure on Rural Water Supply and Sanitation**

(in Rs.Crore)

Year	Rural Drinking Water Supply and Sanitation*	Union Govt. Expenditure on Water Supply and Sanitation as Proportion of Total Expenditure from union budget (in %)
2003-04 RE	2751.39	0.58
2004-05 RE	3301.39	0.65
2005-06 RE	4761.52	0.93
2006-07 RE	5301.63	0.91
2007-08 RE	7461.8	1.05
2008-09 BE	8501.9	1.13
2008-09 RE	8502.27	0.94
2009-10 BE	8502.84	0.89

**Source:** Expenditure Budget Volume 2 –union budget for various years, [www.indiabudget.nic.in](http://www.indiabudget.nic.in)

**Notes:** \* union budget Outlay for Deptt. of Drinking Water Supply under Ministry of Rural Development

## b) Spending on the Sector from the Budgets of All States: 2003-04 to 2008-09

**Table Vc: Total Expenditure on Water Supply & Sanitation from the Budgets of All States & UTs**

(In Rs. Crore)

Years	Revenue Expenditure			Capital Expenditure			Total Expenditure	As % of GDP
	Plan	Non-Plan	Total	Plan	Non-Plan	Total		
2003-04	3002.55	3529.02	6531.57	3403.92	182.47	3586.39	10118	0.37
2004-05	2735.14	4197.61	6932.75	6247.83	131.4	6379.23	13312	0.42
2005-06	3987.53	4477.32	8464.86	5636.93	390.74	6027.67	14492.5	0.40
2006-07	4433.93	4340.62	8774.56	6955.55	393.56	7349.1	16123.7	0.39
2007-08 RE	4823.66	4963.44	9787.1	11044.66	652.12	11696.78	21483.9	0.45
2008-09 BE	5085.29	4451.64	9536.93	12290.37	834.45	13124.82	22661.8	0.42

**Source:** State Finances: A Study of Budgets of 2006-07, 2007-08 & 2008-09, RBI

- As shown in Table Vc., the revenue and capital expenditure of states and union territories in the water and sanitation sector have been demarcated into Plan and Non-Plan Expenditure.
- The trend in expenditure can be observed in the Table Vc. The figures show a positive trend since capital expenditure has increased. Similarly plan expenditure has also shown a significant rise from 2003-04 to 2008-09. The total expenditure as percentage of GDP has remained constant in most years.

VI. **Trends in allocation on Rural Water and Sanitation:** Rural water supply is a State subject. However, the government has been supplementing the efforts of the states by providing financial assistance to them over the years. Although most water and sanitation programmes are centrally sponsored, with states providing matching grants, many states in recent years have been facilitated by the DDWS to opt for external assistance such as the World Bank. The following Table VI shows that there is a gap between the amount proposed to the Planning Commission and the actual amount provided to DDWS during 2005-06 to 08-09.

**Table VI: Financial Allocation to DDWS by Planning Commission**

(Rs. in crore)

Year	Proposed to Planning Commission	Allocated by the Planning Commission	Revised Estimates
2005-06	4,950.00	4,050	4,060
2006-07	5,500.00	5,200	4,560
2007-08	9,632.36	6,500	6,400*
2008-09	9870.65	7,300	-

**Source:** 37<sup>th</sup> Report of the Standing Committee on Rural Development, MoRD, DDWS, Demand for Grants (2008-09)

\*Upto February 29, 2008



The above information on the existing and current trends in financial allocation show that there is a shortfall between the amount proposed and allocated. In addition, utilisation figures are lower than the amount allocated. One has to also understand the causes and reasons behind the unspent balance lying with the state. This analysis of financial data only goes to show that increase in allocation is neither commensurate with actual expenditure nor leading to achievement of outcomes. A report on the progress of the major schemes in the sector is given in Box 1.

### Box 1: Progress Report on Major Schemes in the Sector

The Total Sanitation Campaign (TSC): A Centrally Sponsored Programme on rural sanitation has witnessed remarkable improvement after enhancing the resources and the stage is now set to achieve the Millennium Development Goal target by 2012 instead of 2015 as per Government sources. So far, more than 59 percent rural habitations are equipped with toilet facilities (Source: PIB). However, despite glowing reports from the Government, sanitation is not on track to meet the MDG targets. The problem of open defecation (OD) still persists in rural areas. (74 percent practice OD in India; Source: WHO & UNICEF's Joint Monitoring Programme for Water Supply and Sanitation Report. Geneva, 2008). The Department of Drinking Water Supply (DDWS) figures primarily show 'coverage' (number of individual household latrines constructed) but not 'usage', making it difficult to make an assessment.

Swajaldhara: After 1992, the 73rd Amendment Act gave *Panchayati Raj* Institutions (PRIs) a role in drinking water schemes; however, this is only on paper. The Swajaldhara programme was launched precisely for the purpose of community ownership. A sum of Rs 40 crore was given by the 12th Finance Commission to the PRIs for Operation and Maintenance (O&M) of drinking water projects. Nonetheless, one has to assess whether this sum is actually being utilised for the said purpose or not.

Bharat Nirman/ Accelerated Rural Water Supply Programme (ARWSP): Bharat Nirman, the ambitious flagship programme of the government, has drinking water as one of its six components. More specifically, it addresses coverage, sustainability and quality of water. Since 2008-09 is the last year for this programme, it is essential to take stock of it. The 37th Report of the Standing Committee on Rural Development, Ministry of Rural Development (MoRD), Department of Drinking Water Supply (DDWS), Demand for Grants (2008-09), has analysed that only 57 percent of the targets could be achieved under the category of uncovered habitations, 64 percent under slipped-back and 43 percent under quality-affected habitations

**VII. Key Challenges:** The key challenges arising in both water supply and sanitation have been flagged in this section.

#### a) Rural Water Supply:

- *Bharat Nirman*, the ambitious flagship programme of the government, has drinking water as one of its six components. More specifically, it addresses coverage, sustainability and quality of water. Since 2008-09 is the last year for this programme, it is essential to take stock of it. The 37<sup>th</sup> Report of the Standing Committee on Rural Development, Ministry of Rural Development (MoRD), DDWS, Demand for Grants (2008-09), has analysed that only 57 percent of the targets could be achieved under the category of uncovered habitations, 64 percent under slipped-back and 43 percent under quality affected habitations. These figures show that there is still a long way to go for the targets of *Bharat Nirman* to be achieved. The proposed allocation was never given for *Bharat Nirman*.

- After 1992, the 73<sup>rd</sup> Amendment Act gave *Panchayati Raj* Institutions (PRIs) a role in drinking water schemes. However, this is only on paper. The Swajaldhara programme was launched for the purpose of community ownership. A sum of Rs 40 crore has been given by the 12<sup>th</sup> Finance Commission to the PRIs for operation and maintenance (O&M) of drinking water projects. Nonetheless, one has to assess whether this sum is actually being utilised for the said purpose or not.
- Under the Rajiv Gandhi National Drinking Water Mission, the National Rural Drinking Water Quality Monitoring & Surveillance Programme was constituted to look into the problem of water quality. Arsenic and fluoride were identified as two of the most dangerous problems. However, targets have not been met and the problem still persists. The Comptroller and Auditor General's Report shows that funds earmarked to address specifically the issue of quality are lying unspent. Water testing laboratories were to be set up in various states. However, monitoring teams reported that funds meant for this purpose was not utilised.
- The depletion of ground water table has brought about a minor water crisis and raised questions on the sustainability of water sources. There have been very weak efforts by the Government to tackle this issue. No punitive action or legal measures have been taken against the misuse and overuse of ground water sources by the states.

### Box 2: Issues in Rural Water Supply

- States in the Northeast Region, Orissa, Jammu & Kashmir are unable to provide matching share.
- Increase in coverage cost-steep hike in the prices of material costs used in water supply schemes.
- Sustainability of water supply systems and sources.
- Depleting ground water leading to slippage of already covered habitations and deterioration of water quality.
- Delay in transfer of funds from state to implementing agencies.
- Lack of capacity building of PRIs to operate & maintain water supply systems.

Source: NAC Discussion Papers, RGDWM, DDWS, MoRD, GoI, Feb 28, 2008

#### b) Rural Sanitation:

- Sanitation is not on track to meet the MDGs targets. The problem of open defecation still persists in rural areas. This is despite the fact that rural coverage has increased to 50 percent as per DDWS data, showing a marked improvement from 2001, when it was only a meagre 22 percent. The figures primarily show 'coverage' (number of individual household latrines constructed) but not 'usage' making it difficult to assess. The lack of priority and traditional attitudes existing in sanitation habits has led to low usage. Findings of various surveys reveal that social status and convenience were the primary reasons for building toilets and health was the least important.

- It is a known fact that improved sanitation and hygiene have a greater health impact than safe water supply. The much delayed focus on sanitation in the country and a lack of political will have made it hard to get the attention and interest at the national as well as international arena. This may be the reason for absence of a separate cell for sanitation in DDWS or a Sanitation Policy. Although publicity has been generated through advertisements on the occasion of the International Year of Sanitation, it has had marginal impact at the ground level.
- The *Nirmal Gram Puraskar* (NGP) was constituted as an award for *Gram Panchayats* that have achieved 100 percent sanitation. NGP winners have grown from 38 in 2005 to 5,000 in 2007 showing a very optimistic picture. However, findings from the monitoring and evaluation teams reveal that it has become incentive and target-driven.
- The TSC has not managed to create an impact in terms of behavioural change. It has a narrow focus on pushing toilets to Below Poverty Line families where there is an absence of community approach. It is gradually turning into just another subsidy and target-driven programme.
- The inhuman occupation of ‘manual scavenging’ still persists in some parts of the country. Improved sanitation has never been linked to this issue. There are deeper reasons behind its existence but since ‘sanitation’ is a dirty word, no effort has been made to address it.
- Improved sanitation has a direct impact on health, education and social status of women. In addition to providing safety and mobility, it can lead to enhanced decision making among women. Sadly, women are left out in the policy making process in this sector.
- The Finance Minister in his 2008-09 Budget Speech announced a grant of Rs 200 crore for drinking water provision in schools. These are for stand-alone purification systems. On the face of it, the announcement looks generous but hardly any thought has been given to the Operation & Maintenance (O&M) of the water supply?
- The Outcome Budget had aimed to provide separate toilet blocks for school girls in 2007-08. But sadly the retention rate of school girls has not increased significantly nor has the dropout rate gone down. Also there are hardly any provisions made for water supply in the toilets.

### **VIII. Policy Agenda for the Future:**

- In view of the fact that the stipulated timeline for *Bharat Nirman* is coming to an end, the pace of the programme needs to be increased. More clarity is needed to define not-covered, partially-covered, fully-covered and slipped-back habitations. The reduction of slipped-back and NC habitations should be taken up on a priority basis.
- Adequate allocation for rural drinking water programmes and to ascertain the causes of outlay reduction at the revised estimate stage is extremely important.

- External assistance for projects should be encouraged wherever State is not able to give matching share and in cases when the Centre cannot fulfil the requirements.
- A move from groundwater to surface water sources to address the problem of sustainability. Linking water supply schemes with the National Rural Employment Guarantee Scheme, where construction of water-harvesting structures can be a component is an option that can be explored.
- Legislation on the use, misuses and overuse of ground water by the ministry of water resources should be implemented in the states.
- Provision of effective training on water and sanitation for not just public health engineering department engineers but also for other stakeholders in the sector is required.
- Sanitation is a 'female priority'. The responsibility for procuring water (usually trudging long distances) for the household also falls on woman's shoulders. Hence, it is imperative to include women at all levels of decision-making and to encourage women's active involvement and participation in the water and sanitation sector. There is a need to view water and sanitation with a gendered perspective.
- Water and Sanitation schemes to be converged with health and education sector schemes. Effective advocacy for making water and sanitation as a human right.
- TSC should be tackled like the Polio and AIDS campaign. It should push for greater involvement in the WASH (Water, Sanitation and Hygiene-for All) Campaign\*. The community led total sanitation campaign should be adopted in a larger number of states to bring about greater people's participation and behavioural change.
- The abolition of dry latrines in order to further the goals of the Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993.
- Increased focus to be given on urban water supply and sanitation.
- Water and sanitation should be included in school curriculum. The *Sarva Shiksha Abhiyan* and National Rural Health Mission can be clubbed with the School Sanitation & Hygiene Education (SSHE) Programme which is a part of TSC. SSHE in private schools should be made necessary criteria for the school to get certification and recognition.

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\* The Campaign is a concerted global advocacy effort by members and partners of the Water Supply and Sanitation Collaborative Council\*\* (WSSCC) to place sanitation, hygiene and water firmly on the political agenda.

\*\* Mandated by a United Nations resolution in 1990 to maintain the momentum of the International Drinking Water and Sanitation Decade, the mission of the WSSCC is "to accelerate the achievement of sustainable water, sanitation and waste management services to all people, with special attention to the unserved poor, by enhancing collaboration among developing countries and external support agencies and through concerted action programmes."

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**PART FIVE**

**GENDER BUDGETING**

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

*Yamini Mishra and Bhumika Jhamb\**

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

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

The *Statement on Gender Budgeting* presented along with the union budget is welcome. However, it is a rather limited approach if one wants to understand what the union budget has to offer to women. Quite apart from numbers not matching and the patriarchal and misleading assumptions, it is the narrowness of the approach that fails to give a comprehensive picture of the gendered dimension of the budget. It is equally important to take the analysis further and to critically assess whether: (a) these women-specific schemes indeed reach women the way they intend to (i.e., moving from ex-ante analysis to ex-post analysis); and (b) even if they reach women, are they in any way transforming gender roles and constructs or are they simply reinforcing gender stereotypes by just adding to women’s unpaid and reproductive work.

Moreover, since women’s labour has become the backbone of the country’s economy—whether in agriculture, or in the informal sector, or as construction workers, or as migrant workers, etc., — it becomes imperative that each of these respective ministries have specific policies and schemes to address women’s specific concerns and vulnerabilities rather than the predominantly MWCD-

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\* The authors work with the Centre for Budget and Governance Accountability. The article was originally published in the Response to the union budget 2008-09, Centre for Budget and Governance Accountability



centred focus within which again the self-help groups seem to be the only vehicle that the GoI has to offer for transforming women's lives.

The union budget 2008-09, being probably the last full budget of this UPA government, had much to deliver for the women of India. The NCMP promise of *ensuring equality for women in every sphere* will most certainly not be achieved unless concomitant funds are made available to make the necessary changes. The proposals for women union budget 2008-09 in this regard seem a bit too little.

The *Statement on gender budgeting* now presented along with the union budget for the fourth consecutive year has the following highlights:

*Although the FM in his budget speech pointed out that four more ministries/departments have set up gender budgeting cells taking the total number to 54, the number of ministries that are reporting women specific allocations remains the same (at 33 demand for grants).*

The total magnitude of Gender Budget has gone up only marginally from 3.3 percent to 3.6 percent of total expenditure, a mere 0.3 percent increase over previous year.

**Table 4.1. Summary of the allocations on women as presented in the Gender Budgeting Statements**

(in Crore Rupees)

	No. of Demands*	Total Allocations under Part A of the statement**	Total Allocations under Part B of the statement***	Total magnitude of Gender Budget
2005-06	10	Rs. 8,273.88 (RE)	Rs. 15,966.63 (RE)	Rs. 24,240.51 (RE) (4.77percent****)
2006-07	24	Rs. 4,618.95 (RE)	Rs. 17,632.46 (RE)	Rs. 22,251.41 (RE) (3.8percent)
2007-08	33	Rs. 8,428.66 (RE)	Rs. 13,919.43 (RE)	Rs. 22,348.09 (RE) (3.3percent)
2008-09	33	Rs. 11,459.61 (BE)	Rs. 16,202.06 (BE)	Rs. 27,661.67 (BE) (3.6percent)

\* In union budget covered under the Gender Budgeting Statement.

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

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

\*\*\*\* Proportion of total Union Government Expenditure, shown in brackets.

**Source:** Gender Budgeting Statement, Expenditure Budget Vol. I, union budget - various years

## I. Allocations for Women in the union budget 2008-09

For ease of presentation and tracking government commitments, we present allocations in the union budget 2008-09 in the categories used in the Eleventh Five Year Plan (Chapter 6, 'Towards Women's Agency and Child Rights), i.e., (a) Ensuring Economic Empowerment, (b) Engineering Social Empowerment, (c) Enabling Political Environment, (d) Effective Implementation of Women Related Legislations, and (e) Creating Institutional Mechanisms for Gender Mainstreaming and Strengthening Delivery Mechanisms. We now assess budgetary outlays for each of these categories.

## 1.1 Ensuring Economic Empowerment

### A. Agriculture

The criticality of Agriculture in our economy, the agrarian crisis and the growing feminisation of agriculture calls for specific and targeted interventions to address the specific vulnerabilities of women in agriculture. This has been identified as a critical area of concern even in the Eleventh Five Year Plan document.

While women have always played a key role in agricultural production, their importance both as workers and as managers of farms has been growing, as an increasing number of men move to non-farm jobs. Today 53 percent of all male workers but 75 percent of all female workers, and 85 percent of all rural female workers, are in agriculture. Women constitute 40 percent of the agricultural work force and this percentage is rising (Report of the Gender and Agriculture Subgroup created by the Planning Commission).

Recognising the gendered dimension of the changing demographics in agriculture, the Eleventh Five Year Plan committed itself to the following:

*The challenge in the Eleventh Plan is to improve the availability of agricultural inputs, credit, marketing facilities, technology and skill training for the increasing number of women farmers. Resources pooling and group investment, financial and infrastructural support will be provided. Women in Agriculture will be on the top of the Eleventh Plan agenda and a two-pronged strategy will be adopted: a) Ensuring effective and independent land rights for women and b) strengthening women's agricultural capacities. (Chapter 6, 'Towards Women's Agency and Child Rights', Eleventh Five Year Plan)*

Moreover, a specific scheme to address women's vulnerabilities was also to be devised by the MWCD to identify and help women in States where agrarian crisis has ravaged families. However, the allocations in union budget 2008-09 to address women's specific vulnerabilities, seem grossly inadequate to meet these commitments.

**Table 4.2. Women Specific Allocations under Allocations for Agriculture**

	2006-07 RE	2007-08 RE	2008-09 BE
Total Allocations	9,454.06	11,018.94	14,476.88
Women-specific Allocation*	4.99	277.46	530.19
Percent Share	0.05	2.52	3.66

\*As per the Gender Budgeting Statement, various years

Source: Compiled from Expenditure Budget Vol. I&II, union budget - various years

### B. Food Supply and PDS

In the context of the growing agrarian crisis and the declining per capita food grain availability (as pointed out by Utsa Patnaik), the eroding public distribution system has grave consequences. NFHS-3 data shows that the proportion of underweight children among all children under the age of three

years in the country was as high as 46 percent in 2005-06. Moreover, this proportion has remained practically stagnant over the last decade. The National Commission on Farmers has calculated that the cost of reaching food to around 80 percent of our population, which is either malnourished or at risk of malnutrition, (i.e. is food insecure) will be Rs. 35,876 crore at current prices. The total subsidy needed for the universal public distribution system is as little as 1 percent of the GDP.

Furthermore, food security is a deeply gendered issue. Most certainly if food security is hit, the consequence will be felt most by the women and the household and the women in the household will be the first to get lesser food. Yet, there was no measure for expansion of PDS in the recent years and this year's budget does not offer anything significant in this regard. In fact as a percentage of total expenditure allocations on food subsidy have actually gone down.

**Table 4.3: Allocations for Food Subsidy**

(in Rs. Crore)

	2005-06 RE	2006-07 RE	2007-08 RE	2008-09 BE
Allocations for Food Subsidy	23,200.00	24,203.92	31,545.59	32,666.59
percent Share of Total Expenditure	4.56	4.16	4.68	4.35

**Source:** Compiled from Expenditure Budget Vol. I&II, union budget - various years

### *C. Skill Development and SHGs*

Recognising the need for providing women with vocational training, credit support, marketing support and technological support the Eleventh Five Year Plan, through such support services seeks to strengthen women's entrepreneurial activities. The table below gives a broad sense of the allocations on some of the major schemes for this.

**Table 4.4. Schemes that are important for SHGs**

(in Rs. Crore)

Schemes	2005-06 RE	2006-07 RE	2007-08 RE	2008-09 BE
Grants through <b>NABARD for Strengthening Cooperatives Credit Structure</b> (Min.of Finance)	413.63	1,505.44	2,046.28	3,542.91
Allocations for <b>Swarnajayanti Gram Swarozgar Yojna (SGSY)</b> (Ministry of Rural Development)*	899.84	1080.00	1620	1933
Allocations for <b>Support to Training and Employment Programme (STEP)</b> (MWCD)	13.5	13.5	18	33.3
Allocations for <b>Rashtriya Mahila Kosh*</b> (MWCD)	0.01	10	12	31
Allocations for <b>Swayamsidha</b>	18.50	27	22.41	180

**Note:** The union budget allocations for the schemes given above do not include the lump sum provisions for Northeastern areas and Sikkim.

**Source:** Expenditure Budget Vol. II (Notes on Demands for Grants), union budget - various years.

Although increases in allocations for these schemes are indeed welcome, one has to be cognisant of the limitations of a predominantly SHG-centred approach to women's empowerment.

## 1.2 Engineering Social Empowerment

Recognising the neglect of women in almost every sphere, engineering social empowerment has been identified as one of the core strategies in the XIth Plan to address the challenges of gender equity. Some stark indicators are summarised in the table below:

Stark Indicators	Monitorable Targets in the XIth Plan
Overall Sex Ratio: 933 Child Sex Ratio: 927 (Census, 2001)	Raise the child sex ratio to 935 by 2011-12 and to 950 by 2016-17
Maternal Mortality Ratio 301 (SRS 2001-2003)	Reduce MMR to 100 per 100,000 live births by 2011-12
Incidence of Anemia in: Pregnant women: 57.9 percent Ever-married women: 56.2 percent Among children: 79.2 percent (NFHS-3)	Reduce anemia among women and girls by 50 percent by the end of XIth Plan
Drop-out rate: Primary level: 29 percent Elementary level: 50.8 percent	Reduce drop-out rate for primary and secondary schooling by 10 percent for girls and boys.

### A. Health

Health has been a critical area of concern from women's perspective. The indicators in the table above underscore the point. However, in respect of allocations to meet commitments and targets, priority accorded to women has actually gone down as shown in the table below.

**Table 4.5. Women Specific Allocations in Health**

	2006-07 RE	2007-08 RE	2008-09 BE
Total Allocation for Dept. of Health and Family Welfare	11,366	14,500	16,968.25
Women-specific Allocation*	3,362.16	7,817.61	9,088.55
Percent Share	29.58	53.91	53.56

\* As per the Gender Budgeting Statement, various years

Source: Compiled from Expenditure Budget Vol. I&II, union budget - various years

It is important to note that though the percentage (53.56 percent as women specific allocations) seems significant by itself, this figures needs to be taken with caution due to the flaws and overestimation in the gender budget statement. For instance, RCH is overestimated in the statement to the tune of 150 percent. The real amount actually spent on women's health is therefore likely to be much lesser.

**Table 4.6. Allocations for RCH**

	2005-06 RE	2006-07 BE	2006-07 RE	2007-08 RE	2008-09 BE
Allocation for <b>Reproductive and Child Health</b>	1,814.27	1,765.83	1,338.22	1,629.17	2,504.75

**Note:** The union budget allocations for the scheme given above do not include the lump sum provisions for Northeastern areas and Sikkim.

**Source:** Expenditure Budget Vol. II (Notes on Demands for Grants), union budget - various years.

The significant (almost to the tune of 53 percent) increase in allocations for RCH is indeed welcome.

### ***B. Education***

Bridging gender concerns in education remains an important challenge even after 60 years independence. What priority this gets in union budgets is reflected below:

#### ***B.1 School Education***

**Table 4.7. Women Specific Allocations in School Education**

(in Rs. Crore)

	2006-07 RE	2007-08 RE	2008-09 BE
Total Allocation for Department of School Education and Literacy	19,101.04	23,191.35	27,850
Women-specific Allocation*	8,106.3	1,259	2,089.05
percent Share	42.43	---	---

\* As per the Gender Budgeting Statement, various years

**Source:** Compiled from Expenditure Budget Vol. I&II, union budget - various years

Comparison of percentage allocation for women for the last two years becomes meaningless since major schemes in elementary education like SSA and MDM have not reported women-specific allocations in this year's gender budgeting exercise. This raises a serious concern. Higher education, as shown in the table below also shows a declining priority for women.

#### ***B.2 Higher Education***

**Table 4.8. Women Specific Allocations in Higher Education**

(in Rs. Crore )

	2006-07 RE	2007-08 RE	2008-09 BE
Total Allocation for Dept. of Higher Education	5,147.96	6,397.36	10,852.87
Women-specific Allocation*	896.07	1,232.97	1,859.2
percent Share	17.41	19.27	17.13

\* As per the Gender Budgeting Statement, various years

**Source:** Compiled from Expenditure Budget Vol. I&II, union budget - various years

### C. Reaching Marginalised and Vulnerable Women

The Ministry of Women and Child Development and some other ministries (like the Ministry of Social Justice and Empowerment) have a few schemes for special interventions for working women and women in distress. A quick snapshot on what the government has allocated for some of these schemes is in the table below.

**Table 4.9. Allocations for some of the important schemes under MWCD**

(in Rs.Crore)

Schemes	2005-06 RE	2006-07 RE	2007-08 RE	2008-09 BE
Allocations for <b>Rajiv Gandhi National Creche Scheme for Children of Working Mothers</b> (under MWCD)	41.40	93.80	100	96.10
Allocations for <b>Hostels for Working Women</b> (under MWCD)	4.50	4.50	5	20
Allocations for <b>Short Stay Homes</b> (under MWCD)	15	15.72	15.9	15.9
Allocations for <b>Schemes for Rescue of Victims of Trafficking</b> (under MWCD)	0.25	0.45	4.50	9
Allocations for <b>Machinery for Implementation of PCR Act 1955 &amp; Prevention of Atrocities Act 1989</b> (under MSJE)	36.91	36.91	39.40	39
Allocations for <b>Deendayal Disabled Rehabilitation Scheme</b> (under MSJE)	74.00	72.00	69	60.50
Allocations for <b>Implementation of the Persons with Disabilities Act including scheme with Disabilities</b> (under MSJE)	--	9.00	13.10	15.50
Allocations for Assistance to <b>Voluntary Organisations for Old Age Homes</b> (under MSJE)	19	16.50	18.00	31.70

**Note:** The union budget allocations for the schemes given above do not include the lump sum provisions for Northeastern areas and Sikkim.

**Source:** Expenditure Budget Vol. II (Notes on Demands for Grants), union budget - various years.

### D. Minority Women

It is common knowledge today that some religious minorities, especially the Muslims bear the brunt of discrimination and non-inclusion. The Sachar Committee Report has highlighted a dismal picture of the social, educational and economic conditions of Muslims in India. Using the framework of intersectionality of discrimination, Muslim women face double discrimination and are more vulnerable. Thus, targeted interventions for Muslim women are essential. Unfortunately, the Ministry of Minority Affairs, as of now, has no schemes targeted specifically towards women. It is therefore imperative that the Government formulate a sub-plan for minorities, and earmark specific allocations for women.

**Table 4.10. Total allocations to the Ministry of Minority Affairs**

(in Rs. Crore)

	2005-06 RE	2006-07 RE	2007-08 RE	2008-09 BE
Allocations for Ministry of Minority Affairs	...	143.52	362.83	1013.83

**Source:** Notes on Demands for Grants, Ministry of Minority Affairs - various years.

The significant leap in the allocations for Ministry of Minority Affairs is a positive step. Disappointingly though, all the allocations/schemes under this ministry last year and this year were gender neutral and there is not even a single scheme/allocation targeted at minority women. The gender blindness of the Sachar Committee report is also reflecting in the allocations for this Ministry.

The ability to recognise and address specific deprivations has been identified as the real test of the agenda set for the XIth Plan.

### **Target Areas identified by the XIth Plan**

- Make education accessible for Muslim girls
- Link Muslim girls to employment
- Link Muslim women to credit, markets, technical training, leadership training, skill development especially for home based female entrepreneurs and workers
- A pilot scheme for 'Minority Women' will be launched by the Ministry of Women and Child Development

### **1.3 Enabling Political Environment**

Allocations for women under the Ministry of Panchayati Raj (as reported in the gender budgeting statement) has gone down from even the revised estimates of last year-- from 43.92 crore to 34 crore.

### **1.4 Effective Implementation of Women Related Legislations**

Many women's groups would be disappointed yet again to note that there is no allocations even in this years budget towards the implementation of the Domestic Violence Act (i.e., Protection from Domestic Violence Act, 2005), despite the passing of this Act as well as the finalisation of the Rules and Regulations of the Act. The passing of this Act has been a historic achievement for women of this country and the result of a long struggle. The lack of any allocation for this act puts a question mark on the government's commitment to ensure that this Act becomes a reality for women and does not remain confined to the law books.

## 1.5 Creating Institutional Mechanisms for Gender Mainstreaming and Strengthening Delivery Mechanisms

The table below captures allocations for two such institutional mechanisms important for women.

**Table 4.11. Allocations to strengthen institutional mechanisms (under MWCD)**

(in Rs. Crore)

Schemes	2005-06 RE	2006-07 RE	2007-08 RE	2008-09 BE
Allocations for <b>National Commission for Women</b>	5.77	6.45	6.20	7.25
Allocations for <b>Gender Budgeting</b>	--	--	1.00	3.00

**Note:** The union budget allocations for the schemes given above do not include the lump sum provisions for North Eastern areas and Sikkim.

**Source:** Expenditure Budget Vol. II (Notes on Demands for Grants), union budget - various years

Making resources available for women is critical if one wants to address the structural disadvantages faced by women. Equally critical is to take our analysis beyond outlays to look at outcomes for women. In India, quality of expenditure is also a serious concern.

Thus, on the whole the chapter flags some issues related to resources earmarked for women. However, the difference in the budget estimate figures for the year 2007-08 in the 2007-08 gender budget statement and this year's statement both in Part A and B is a serious cause for concern. The reason behind such deviations needs to be explained clearly so as to enable its effective usage.



# Deepening Gender Budgeting in the Union Government: Reflections on Some Critical Issues

*Bhumika Jhamb, Subrat Das and Yamini Mishra\**

The UPA Government's *'Report to the People: 2004-2008'* claims that the UPA Government has given greater focus to issues relating to women through various efforts and initiatives which include setting up an independent Ministry of Women and Child Development, enactment of various legislations promoting equality of women, gender budgeting and various programmes/schemes to address women's concerns. One of the primary objectives of the National Policy for Empowerment of Women 2001 is **to ensure *de-jure* and *de-facto* enjoyment of all human rights and fundamental freedom by women on equal basis with men in all spheres – political, economic, social, cultural and civil.** However, India's rank of 112 out of 157 countries in terms of Gender Development Index is representative of the fact that women are still largely disadvantaged in almost every sphere.

Discrimination against women manifests itself in various forms such as worsening health indicators, differential in literacy, increasing wage gap, ever-increasing rates of crimes against women and continuing low representation of women in higher political, administrative and judicial posts. India failed to achieve the target for reduction in MMR set by it in the Tenth Plan. The increasing incidence of anemia in pregnant women and even married women clearly reflects the lack of accessibility to healthcare services. In addition, women suffering from HIV & AIDS are disowned by their family and without access to any asset, they face greater discrimination.

Many factors have been responsible for low literacy rate among females and especially persistent high dropout rates, the situation being worse in case of SC and ST girls. Gender differential in education still continues to be high at 21.7 percent.

On the work and employment front, female workforce participation rate was 28 percent (2004) which was quite low compared to many developing countries. Further, 97 percent of the female workforce is involved in the unorganised sector. A sectoral break up shows that agriculture is the primary employer of women informal workers. A whopping 85 percent of rural women are employed in agriculture as wage workers or workers on own/contracted household farms. A recent

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\* The researchers are associated with the Centre for Budget and Governance Accountability.

report released by the International Labour Organisation<sup>1</sup> reinforces the situation of women workers in South Asia and the trends therein. According to the report, women continue to be largely an untapped potential in the region which is indicated by the female unemployment rate of 5.8 percent as compared to 4.8 percent for men in 2007. It further notes that women continue to carry a much higher risk of finding themselves in a vulnerable employment situation than men which definitely holds true when the involvement of women in the unorganised sector is taken into account. It is also disappointing to note that although there has been an increase in employment, the wage disparity ratio for men and women has widened between 1999-2000 and 2004-05, which means that the average wage of men, across all categories has shown an increase vis-à-vis women in rural as well as urban areas.

One of the major concerns noted by the *Concluding Comments of the Committee on the Elimination of Discrimination against Women (February 2007)* is the rise in all forms of discrimination against women. According to the National Crime Records Bureau, the incidence of dowry deaths, domestic violence, rape and molestation have all registered an increase over the years and the conviction rates are abysmally low. The overall sex ratio stands at 933 in 2001 and the child sex ratio has declined from 945 in 1991 to 927 in 2001 which reflects the deeply entrenched patriarchal mindset of the Indian society. Therefore, the Comments lay special emphasis on part of India to fully and consistently implement and enforce the Domestic Violence Act and ensure that all women victims of domestic violence, including Scheduled Caste, Scheduled Tribe, Backward Class and minority women, are able to benefit from the legislative framework and also calls for establishment of adequate mechanisms and procedures for effective implementation and monitoring of the Pre-conception and Prenatal Diagnostic Technique (Prohibition of Sex Selection) Act.

The challenges, therefore, as identified by the Eleventh Plan include ensuring economic empowerment; engineering social empowerment; enabling political empowerment; effective implementation of women related legislations; and lastly, creating institutional mechanisms for gender mainstreaming and strengthening delivery mechanisms.

## I. Some Recent Initiatives by the Government of India to address the Concerns of Women

### Schemes/Programmes

**Anganwadi Karyakarti Bima Yojana:** A social security group scheme of LIC was launched by the Government to cover the risk benefits of Anganwadi workers and helpers. The premium amount per beneficiary per annum has been fixed at Rs. 280/-.

**Dhan Laxmi – a Conditional Cash transfer Scheme for the Girl Child:** Aims to provide a set of staggered financial incentives for families to encourage better upbringing of the girl child. The scheme is proposed to be piloted in 11 educationally backward blocks in seven states with an outlay of Rs. 10 crores for 2008-09 benefiting 101970 girls. Under the *Dhan Laxmi* scheme an insurance cover of Rs 1 lakh is to be provided for the girl child at her birth and in all, cash package of around Rs 2 lakh is to be provided to the girl's family, preferably to the mother.

<sup>1</sup> Global Employment Trends for Women, 2007

**Ujjawala – Scheme for rescue and rehabilitation of trafficked women and children:** The scheme comprises of 5 components – Prevention, Rescue, Rehabilitation, Reintegration and Repatriation. The scheme is proposed to be implemented in about 50 projects initially benefiting over 2500 victims.

**Incentive to Girls for Secondary Education:** A centrally sponsored scheme to incentive secondary education of girls with a total incurring expenditure of Rs. 1,500 crores will be initiated during the 11th Five year Plan. The scheme will cover all SC/ST girls who pass class VIII and girls who pass class VIII from *Kasturba Gandhi Balika Vidyalyayas* (irrespective of whether they belong to Scheduled Castes or Tribes) and enrol for class IX in State/UT Government, Government aided or local body schools in the academic year 2008-09 onwards. A sum of Rs. 3,000 would be deposited under term deposit / fixed deposit in a public sector bank or in a post office in the name of every eligible girl child which will be given to the girl after she has attained 18 years of age and produced 10th class pass certificate

**On the Legislative Front:**

- Amendments have been passed by the Parliament prohibiting arrest of women after sunset and before sunrise; medical examination of persons accused of committing or attempting to commit rape; and mandatory judicial inquiry in case of rape while in police custody.
- The Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Bill is being finalised
- Government introduced a bill in Parliament to amend the Factories Act, 1948 to provide flexibility to women employees during night and requiring employers to ensure safety and protection of the employees.
- Government has introduced a bill for amending the Immoral Traffic (Prevention) Act, 1956 for addressing various concerns
- A Committee under E M Sudarsana Natchiappan has been formed to seek suggestions from various political parties and help evolve consensus on the Women's Reservation Bill

## II. Commitments in the NCMP for Women: The Deliverables

The UPA Government laid down commitments for various crucial sectors of the economy and for addressing specific concerns of the vulnerable sections of the society in its charter of governance – the National Common Minimum Programme in May, 2004. Apart from the six principles of governance whereby it clearly mentioned, ‘to fully empower women politically, educationally, economically and legally’, it also detailed some specific promises to address women’s concerns. It is pertinent that we take stock of what the UPA Government has been able to deliver vis-à-vis the promises.

- Although women have been able to seek positions owing to 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments and moreover, the seats now they occupy have exceeded the reservation percentage, their representation in Parliament remains abysmally low. Despite several attempts to table the Women’s Reservation Bill and various permutations and combinations as suggested by various political parties from increasing the total number of seats in the Parliament to taking account of women belonging to Scheduled Caste, Scheduled Tribe and OBCs, the Government has not been able to evolve a consensus. Although some political parties have gone for 33 percent reservation in their party cadre, the issue of women’s reservation in the Parliament still remains largely unresolved.
- The Government did fulfil its promise of enacting the Domestic Violence Act, 2005 however; the alarming rate of crimes against women reflects the gross inadequate attention paid in the enforcement of the Act. The Eleventh Plan document emphasises that budgetary allocations will

be made for publicity and for creating the required infrastructure for effective implementation of the Domestic Violence Act, 2005.

- One of the crucial aspects that forces individuals to work as labourers is lack of assets and landlessness and the situation is particularly of grave concern for women. The UPA government amended the Hindu Succession Act, however, Muslim women still remain out of the purview of the Act. The National Policy for Farmers, 2007 recognises the urgent need of empowering women to access credit services through joint *pattas* for homestead as well as agricultural land. However, as also noted by the Empowered Committee on Women and Children for the Eleventh Five Year Plan, individual titles or group *pattas* (to groups of women) would strengthen women's hands rather than joint *pattas*.
- Following the imposition of the neo-liberal policies, involuntary displacement of people, especially the marginalised groups such as SCs, STs, farmers and women is rather a norm. On the one hand, the National Rehabilitation & Resettlement Policy, 2007, fails to lay down concrete commitment on the part of governments to provide adequate protection to the affected families, on the other, it is equally important is to devise a policy that is gender sensitive and includes equitable allocation of land to women.
- In December 2008, the historic Unorganised Workers' Social Security Bill was passed. It seeks to provide the benefit of health, life and disability insurance, old-age pension and group accident scheme for unorganised sector workers including farm workers and migrant labourers. Given that 97 percent of women workers are in the unorganised sector, this could have far reaching effects on women.
- The Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Bill is being finalised and the Government has introduced a Bill in Parliament to amend the Factories Act, 1948 to provide flexibility to women employees during night and requiring employers to ensure safety and protection of the employees. In addition, Medical Termination of Pregnancy Act is also being revised (the number of weeks being extended from 20 to 24).

The Eleventh Five Year Plan marks a clear shift from the conventional way of looking at women in plan documents. Rather than addressing women's concerns only in a separate chapter on 'women and children', an approach which tends to focus exclusively on women's reproductive role and deflects attention away from their role as economic agents in their own right, the Eleventh Plan tries to mark the centrality of women in all sectors. Although the extent to which the different sections have been able to capture women's concerns remains unsatisfactory, the section of women does make significant commitment. Some of these which will bring cheer to women's groups include strengthening the public distribution system, revising the below-poverty line norms, recognising Violence Against Women (VAW) as a public health issue, reviewing the two-child norm, curtailing the harmful effects of television programmes that propagate patriarchal values and portray women in detrimental ways, zero tolerance for discrimination against SC/ST and minority women, recognising health needs of women with alternative sexualities and setting up a national task force on VAW in zones of conflict.

### III. Need for Deepening of Gender Budgeting across Central Government Ministries/Departments

A worthwhile effort of the UPA government has been the introduction of a *Gender Budgeting Statement (GBS)* as part of the union budget for 2005-06. The statement tries to capture the priority for women in union budgets and its coverage of various union government departments has been growing over the years.

It is disappointing to note that not only have the number of demand for grants reporting in the GBS remained stagnant for a third consecutive year, the total allocations for women specific schemes as reflected in Part A of the statement have gone down in absolute terms and the total magnitude of the GBS has gone up marginally in absolute terms but has gone down as a percentage of Total Expenditure from 5.5 percent in 2008-09 (RE) to 5.3 percent 2009-10 (BE). However, analysing the GBS cannot offer critical insights as these figures are disputed<sup>2</sup>.

**Table 1: Summary of the Allocations on women as Presented in the GBS**

(in Crore Rupees)

Year	No. of Demands*	Total Allocations under Part A of the Statement**	Total Allocations under Part B of the Statement***	Total magnitude of Gender Budget
2005-06	10	Rs. 8,273.88 (RE)	Rs. 15,966.63 (RE)	Rs. 24,240.51 (RE) (4.77%****)
2006-07	24	Rs. 4,618.95 (RE)	Rs. 17,632.46 (RE)	Rs. 22,251.41 (RE) (3.8%)
2007-08	33	Rs. 8,428.66 (RE)	Rs. 13,919.43 (RE)	Rs. 22,348.09 (RE) (3.3%)
2008-09	33	Rs. 14,875.15 (RE)	Rs. 34,748.20 (RE)	Rs. 49,623.35 (RE) (5.5%)
2009-10	33	Rs. 14,553.18 (BE)	Rs. 36,605.86 (BE)	Rs. 51,159.04 (BE) (5.3%)

\* In union budget covered under the Gender Budgeting Statement.

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

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

\*\*\*\* Proportion of total Union Government Expenditure, shown in brackets.

**Source:** Gender Budgeting Statement, Expenditure Budget Vol. I, union budget - various years

With the gender budgeting statement, all the central government ministries/departments started reporting the benefits flowing to women either in part A (listing those schemes where 100 percent provisions meant for women) or Part B (listing those schemes where atleast 30 percent provisions are meant for women). Although the initiative is laudable in itself and has been the result of long struggle of several women's groups and civil society organisations, it is equally important to go deeper in the statement and study the assumptions underlying placing a scheme/programme in part A or part B of the statement. The following table is an attempt to raise some concerns with regard to the gender budgets.

2 Subrat Das and Yamini Mishra, "Gender Budgeting Statement: Misleading and Patriarchal Assumptions", Economic and Political Weekly July 29, 2006 and Yamini Mishra and Bhumiika Jhamb, "What Does Budget 2007-08 Offer Women?" Economic and Political Weekly April 21, 2007

**Table 2: Some Concerns with regard to Gender Budgeting**

S.No.	Programme/ Scheme	Ministry/Dept.	Outlay benefiting Women as percentage of total outlay for the scheme	Assumptions on which it is based
1.	RCH Project  RCH Flexible Pool	Ministry of Health and Family Welfare (Department of Health & Family Welfare)	100% provisions benefiting women	Focus of the Reproductive Child Health Programme is reproductive and child health, where the beneficiaries are primarily women and children. The benefits of major components such as Maternal Health Intervention, <i>Janani Suraksha Yojana</i> , and RCH Training (training of female and male functionaries) accrue to women.
2.	Rural Family Welfare Services	Ministry of Health and Family Welfare (Department of Health & Family Welfare)	100%	The Union Government under this scheme provides the entire salary of all ANMs and LHV's recruited at the Subcentres, which together account for 97% of the total outlay made by the Union Ministry under this Scheme.
3.	Urban Family Welfare Services	Ministry of Health and Family Welfare (Department of Health & Family Welfare)	97%	95% beneficiaries of the services provided by urban family welfare centres are women.
4.	National Vector Borne Disease Control Programme	Ministry of Health and Family Welfare (Department of Health & Family Welfare)	40%	Includes vector borne diseases: Malaria, Filariasis, Japanese Encephalitis, Kala-azar and Dengue. The percentage of allocation has been mentioned on the basis of number of actual beneficiaries.
5.	AIIMS	Ministry of Health and Family Welfare (Department of Health & Family Welfare)	40%	The assumption behind the percentage allocation of 40% is on the basis of the number of women indoor patients being 40% (gender disaggregated as collected by the Institute since July 2005)
6.	National AIDS Control Programme		33%	The percentage of allocation made on the basis of number of women availing the benefits under the programme (actual beneficiaries). Many of the activities under the programme such as prevention of parent to child transmission, targeted interventions, and prevention of RTIs/STIs focus on women or mainly benefit women.

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7.	Central Government Health Scheme	Ministry of Health and Family Welfare (Department of Health & Family Welfare)	48%	Although there are paucity of data in terms of number of women beneficiaries availing the scheme, the percentage allocation has been mentioned on the basis of the fact that the scheme is not strictly gender neutral.
8.	Swayamsiddha	Ministry of Women and Child Development	100%	The scheme aims at formation of women SHGs in order to create awareness among members regarding various issues.
9.	Swarnajayanti Gram Swarozgar Yojana	Ministry of Rural Development (Department of Rural Development)	45%	The guidelines of the scheme have clearly mentioned that 50% of the groups formed in each block should be exclusively for women.
10.	Indira Awas Yojana	Ministry of Rural Development (Department of Rural Development)	100%	As per the guidelines of the scheme, allotment of dwelling units should be in the name of female member of the beneficiary household. Alternatively, it can be allotted in the name of both husband and wife.
11.	National Rural Employment Guarantee Scheme	Ministry of Rural Development (Department of Rural Development)	37%	The guidelines envisage one-third beneficiaries of the scheme to be women. The latest estimates show that women's participation in the scheme is 50% ( <a href="http://www.nrega.nic.in">www.nrega.nic.in</a> )
12.	New Model Schools	Ministry of Human Resource Development (Department of School Education & Literacy)	44%	Both the schemes have been initiated this year. The New Model Schools scheme aims at setting up 6,000 new high quality schools in every block in the country. SUCCESS is a centrally sponsored scheme for universalisation of and access to and improvement of quality education at secondary stage. One of the main objectives of the scheme is provision of extra support to girls.
13.	SUCCESS	Ministry of Human Resource Development (Department of School Education & Literacy)	30%	The assumption behind allocation of 44% and 30% of provisions for women in the Gender Budgeting Statement seems to be on the basis of the fact that the Gross Enrolment Ratio for secondary education is 45% for girls.

14.	SCA to SCP (Special Central Assistance to Schedules Caste Sub Plan)	Ministry of Social Justice & Empowerment	29%	The assumption behind mentioning 30% of allocation of the scheme in the Gender Budgeting Statement is questionable since according to the Outcome Budget 2008-09 of the Ministry of Social Justice & Empowerment, women beneficiaries of the scheme, SCA to SCP are 15% of the total beneficiaries. Therefore, putting 30% provisions for women in the Gender Budget Statement needs clarity.
15.	SCA to TSP (Special Central Assistance to Tribal Sub Plan)	Ministry of Tribal Affairs	25%	The scheme envisages atleast 30% funds released to states for benefit of women.  Firstly, since the Part B of the Gender Budget Statement lists those schemes whereby atleast 30% provisions are meant for women, the percentage outlay benefiting women as percentage of total outlay for this scheme amounting to 25% itself is questionable. Secondly, the Outcome Budget 2008-09 of the Ministry of Tribal Affairs mentions that the gender segregation of beneficiaries is not possible owing to the fact that it is an area specific programme.
16.	Kendriya Vidyalaya Sangathan	Ministry of Human Resource Development (Department of School Education & Literacy)	30%	No information on the underlying assumptions available
17.	Navodaya Vidyalayas	Ministry of Human Resource Development (Department of School Education & Literacy)	44%	No information on the underlying assumptions available
18.	Sarva Shiksha Abhiyan	Ministry of Human Resource Development (Department of School Education & Literacy)	46% (2007-08)	One of the main objectives of the scheme is to reduce gender gap in Gross Enrolment Ratio (GER) by 2 percentage points per annum at elementary level.  No information is shared on the assumption behind mentioning 46% provisions as women-specific. Moreover, gender disaggregated data is not given in terms of number of children enrolled.



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19.	Mid-Day Meal Scheme	Ministry of Human Resource Development (Department of School Education & Literacy)	38% (2007-08)	No information is shared on the assumption behind mentioning 38% provisions as women-specific. Moreover, gender disaggregated data is not given in terms of number of children covered under the programme from Educationally Backward Districts.
20.	National Food Security Mission	Ministry of Agriculture (Department of Agriculture and Cooperation)	30%	The scheme envisages at least 33% allocation of funds for small, marginal and women farmers. Therefore, the assumption seems to be based on the number of women beneficiaries availing the scheme. No gender disaggregated data is available in the Outcome Budget 2008-09 of the Department.
21.	Integrated Child Development Services	Ministry of Women and Child Development	66% (2007-08)	The Outcome Budget 2008-09 of the Ministry does not give gender disaggregated on the number of women beneficiaries of the scheme, for instance the number of boys and girls receiving supplementary nutrition etc. Therefore, the 66% provisions as women specific mentioned in the Gender Budgeting Statement are questionable.
22.	University Grants Commission	Ministry of Human Resource Development (Department of Higher Education)	31%	UGC comprises three components benefiting women directly: Women's Hostels for Colleges, Setting up of Women Studies Centres in Colleges, and Part Time Research Associateship for women. However, the Department of Higher Education does not provide any information on placing 31% funds as women specific in the Gender Budgeting Statement. However, the Outcome Budget 2008-09 of the Department mentions that the enrolment of women at the beginning of 2007-08 was 40.55% of the total enrolment in higher education.

Note: The information in the table has been taken from Outcome Budget of the Ministries/Departments, Annual Report and Gender Budgeting Statement, Expenditure Budget Vol. I, Government of India.

As shown in the Table above, we have attempted to list those schemes/programmes where a significant proportion of funds of that particular scheme/programme have been said to be women-specific or meant for women. Various documents such as outcome budget, annual report and specific

guidelines of the scheme/programme were consulted to study the assumptions. Following are the observations:

- Several schemes of Ministry of Health and Family Welfare have been mentioned in the gender budgeting statement, of which the important ones have been mentioned in the table. The Ministry included a detailed section on gender budgeting in its performance budget 2006-07 wherein it explains the rationale behind placing a specific scheme/programme in the statement. Accordingly, the schemes of the Department of Health & Family Welfare were categorised into: (a) Women Specific, where expenditure on women is 100 percent, (b) Pro Women, where expenditure is at least 30 percent and (c) Residual Expenditure, where expenditure on women is less than 30 percent. The ministry has been following this methodology of categorisation of schemes/programmes since 2006. Although the reporting as done by the Ministry of Health and Family in the gender budgeting statement provides a good example, the information has become obsolete owing to the fact that revision of the methodology has not been carried out.
- The Ministry of Human Resource Development has been running certain women-specific schemes such as *Mahila Samakhya*, *Kasturba Gandhi Balika Vidyalaya* Programme (now being merged in SSA), Girls' Hostel Scheme and the new centrally sponsored scheme, Incentives to Girls for Secondary Education, the total provisions of which constitute a small proportion of the total outlay of the Ministry. In addition to these schemes, the Ministry runs many schemes where it mentions significant proportion of provisions meant for women in the gender budgeting statement. However, the ministry does not provide any information on the assumptions behind placing particular proportion of funds of schemes/programmes in the statement. For many, the assumption seems to be based on the gross enrolment ratio of girls. Moreover, with coming of the statement of *Budget Provision for Schemes for the Welfare of Children*, flagship schemes such as SSA and Mid-Day Meal Scheme were removed from the gender budgeting statement to include them in the former statement.
- Very important sectors from the perspective of women's needs such as drinking water supply and department of food & public distribution remain some of the prominent exclusions from the gender budget statement. It is a well known fact that women and girls spend hours fetching water and have to face severe hardships owing to lack of sanitation facilities. In rural areas, only 21.9 percent of population has latrines within/attached to their houses. The department of drinking water supply runs two major schemes – Accelerated Rural Water Supply Programme and Total Sanitation Campaign, none of which find a mention in the statement. Moreover, the annual report of the department mentions that the nature of schemes is such that it is not possible to quantify allocations separately for women. Secondly, the issue of undernutrition of women and girls is grave cause of concern. Owing to the patriarchal structure of the Indian society, the intrahousehold allocation of food is highly skewed against women and girls. Rising anemia among pregnant women and ever-married women as shown by NFHS-3 clearly reflects the fact that this concern has not received adequate attention. Only Village Grain Bank Scheme run by the Department of Food and Public Distribution with a meagre allocation has been placed in part B of the statement. The outcome budget 2008-09 of the department does not even mention

the number of women beneficiaries availing the scheme. Therefore, there is no information on the assumption behind placing the scheme under part B.

- The Special Component Plan (SCP), which is an intervention/special strategy, was adopted during seventies under the initiative of Late Mrs. Indira Gandhi, Former prime minister of India, and was introduced by the Government during its Sixth Five Year Plan, to give focused attention to social, economic and educational needs of Scheduled Castes (SCs). Special central assistance is being provided by the Government of India to 27 states/union territories, which are formulating and implementing the Scheduled Caste Sub Plan. The outcome budget of the Ministry of Social Justice and Empowerment notes that the proportion of women beneficiaries of this special central assistance to SCP to the total number of women beneficiaries was 15 percent. However, the scheme has been placed under part B of the gender budgeting statement which lists those schemes where at least 30 percent provisions are meant for women. Therefore, the assumption behind placing the scheme is questionable. Further, the Ministry of Tribal Affairs initiated the special central assistance to tribal sub plan to supplement the efforts of the state governments. The Ministry of Tribal Affairs does not provide any information on the basis of which 25 percent of the provisions of the scheme have been placed as women specific in the gender budgeting statement.
- The Department of Rural Development clearly mentions the proportion of women beneficiaries under three schemes: National Rural Employment Guarantee Scheme, *Swarnajayanti Gram Swarozgar Yojana* and *Indira Awas Yojana*, all three of which have been placed these three schemes in the gender budgeting statement. Therefore, the assumption behind placing these schemes is the proportion of women availing benefits of the schemes. Further, the Department has commissioned studies to study the benefits accruing to women under *Pradhan Mantri Gram Sadak Yojana* and Integrated Wasteland Development Programme – which are largely considered gender neutral.
- The Ministry of Women and Child Development is the nodal ministry to implement policies and programmes relating to women and children. Integrated Child Development Services, the world's largest programmes for early childhood development placed in part B of the statement. Since the programme targets both boys and girls, it is important to have gender disaggregated data on beneficiaries. Also, there is no information provided by the Ministry on the assumption behind placing the programme under part B. One of the main activities as envisaged by the ministry was to set up Gender Budget Cells in all central government ministries for which allocation of Rs. 3 crore has been made under the 'Gender Budgeting' Scheme. Although, 50 ministries/departments have already set up Gender Budget Cells, hardly any information is available on the functioning of the same. Therefore, it is important that the cells which have been formed do not exist only on paper but are truly functional.
- The Ministry of Minority Affairs set up in 2006 still does not report its pro-women component in the gender budgeting statement. This is despite the fact that the annual report 2007-08 of the ministry claims that the National Minorities Development and Finance Corporation catered to around 85 percent women beneficiaries and the scholarship schemes run by the ministry earmark 30 percent scholarships for girls.

## Roadmap for Gender Budgeting announced by the Union Government in 2005-06

Union budget for 2005-06 had documented that an expert group on “Classification System of Government Transactions”, which had submitted its report in July, 2004, had outlined the key issues and concerns for the Union Government vis-à-vis gender budgeting. Following its recommendations, the Union Government had identified a number of initiatives as significant for gender budgeting which are:

- (i) Undertaking a review of the public expenditure profile of relevant Union Government departments, through the gender lens;
- (ii) Conducting beneficiary-incidence analysis;
- (iii) Recommending specific changes in the operational guidelines of various development schemes so as to improve coverage of women beneficiaries of the public expenditures; and
- (iv) Encouraging village women and their associations to assume responsibility for all development schemes relating to drinking water, sanitation, primary education, health and nutrition.

(as stated in gender budgeting statement, union budget for 2005-06, GoI).

However, even though more than three years have passed since then, the Union Government has been able to institutionalise only the first of the four measures listed above. Needless to add that only a review of public expenditure profile of the various Departments, without any concomitant efforts at beneficiary incidence analysis or incorporating gender sensitive changes in operational guidelines of development schemes or giving women a visible say in implementation of schemes at the grassroots level, would not go far in improving the impact of union budget on women in India. Thus, gender budgeting carried out by the Union Government has lacked depth and consequently, the Government has little to claim in terms of improving the impact of union budget on women in India.

## IV. Challenges Ahead

Gender budgeting is a tool that seeks to attain the larger goal of gender mainstreaming. Till now, gender budgeting has been largely meant how much was directed towards women. However, the focus needs to be made broader. Till now the efforts have primarily concentrated on expenditures in ‘women related’ sectors and several crucial aspects like taxation, trade, capital flows, etc. have remained out of the purview. In addition, gender budgeting is not confined to the programmes/schemes run by several ministries/departments, rather its’ success is largely contingent on how far the policies are engendered – monetary, agriculture, fiscal, policy related to migration disaster management, media and many more which have severe implications on the lives of women.

One of the main tasks identified by the Ministry of Women and Child Development was setting up of Gender Budgeting Cells (GBCs) across all central government ministries/departments. Although, as many as 50 ministries set up such cells, many others such as Ministry of Finance, Ministry of Road Transport and Highways, Ministry of Minority Affairs and Department of Personnel and Training among others have still not set up GBCs, claiming that they are ‘gender neutral’. A huge

challenge lies before the MWCD to sensitise the ministries/departments to take up gender audit of their policies and programmes, so that the GBCs achieve their goal.

The mid-term appraisal of the Tenth Five Year Plan noted dismal implementation of the Women's Component Plan (WCP), even for Ministries having a higher potential for reporting on their WCP. Efforts need to be made to strengthen WCP since earmarking atleast 30 percent funds for women at the very least forces officials to think of the impact of policies on women which might not happen otherwise.

**Secondly**, social sector allocation in India, despite some progress in recent years, continues to be abysmally low. Furthermore, allocations targeted at women also need to be stepped up across different ministries given that women are lagging behind in all development indicators.

**Thirdly**, many of UPA's flagship programmes continue to rely on women's underpaid work, whether it is in the form of para teachers in SSA or ASHAs in NRHM or *Anganwadi* Workers for that matter. This aspect needs urgent attention.

**Fourthly**, many of the schemes designed by the Government are not resulting in better developmental outcome for the people and especially for women. Under NREGA for instance, the worksite facilities provided for in the act, such as, crèches, etc., have not been provided in a majority of the states. Women headed households in many states and single women in particular face discrimination in getting job cards<sup>3</sup>. Furthermore, the adoption of excessively ambitious work norms reduces the possibility of labourers, especially women, receiving minimum wages.

**Finally**, women's location and centrality in all sectors needs to be recognised and policies for all sectors need to be gender responsive. For instance, given the changing demographics of feminsation of agriculture since three-fourths of all women workers and 85% of rural women workers are in agriculture, the achievement of targets of agricultural growth targets will depend on whether or not agricultural policies are gender responsive. Women's employment in the formal sector has shown paradoxical trends with simultaneous increases in work participation rates, unpaid labour, migration for work and open unemployment (Jayati Ghosh, 2009). It is of great concern that the largest increase in the regular employment of urban women has been in domestic service. At the same time, the gender gap in the regular work, even in the formal sector, has gone up. Women's employment in the textiles and garments industry is growing but often at much lower wages than men and with poorer working conditions. In addition to pro-active policies for encouraging greater women's participation in formal work, it is important to focus on enabling conditions, education and training, child care facilities, timing of work and ensuring safety and health of women workers in organised activities<sup>4</sup>.

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3 Gender and Governance, Reviewing Women's Agenda in the NCMP, Wada Na Todo Abhiyan, 2007

4 Towards Inclusive Growth: The Gender Dimension, Committee of Feminist Economists

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**PART SIX**

**RIGHT TO FOOD**

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# Concern for the 'Aam Adami' – how has it been met in the Budget?

*N.C. Saxena*

The United Progressive Alliances (UPA) Finance Minister (FM) presented the budget for 2008-09 in an environment of growing recognition that the poor have been left behind in the mad race of high economic growth and getting rich quick. According to the Planning Commission's Approach Paper for the XI Plan, there has been a sharp increase in unemployment (from 9.5 percent in 1993-94 to 15.3 percent in 2004-05) among the agricultural labour households. The NFHS III survey of the Ministry of Health and Family Welfare (MoHFW) showed that despite high economic growth of eight percent every year, malnutrition in the age group 0 to 6 years has declined only by one percentage point in the last eight years. The prevalence of child under-nutrition in India is among the highest in the world; nearly double that of Sub-Saharan Africa, with dire consequences for morbidity, mortality, productivity and economic growth. Many developing countries which are poorer than India seem to be doing much better on the social front as shown below.

		India	Bangladesh	Myanmar	Vietnam	Bhutan
Infant Mortality Rate per 1000 births	Year 1990	82	100	91	38	107
	Year 2006	57	52	74	15	63
Underweight children under 5		46	48	32	25	19
Immunised against measles		59	81	82	93	90
Rural population with adequate sanitation		22	35	72	50	70
Ratio of girls to boys in schools (%)		88	105	101	96	87
Global Hunger Index <sup>1</sup>		25	28	16	18	NA

(Based on information on the World Bank, Unicef & IFPRI websites)

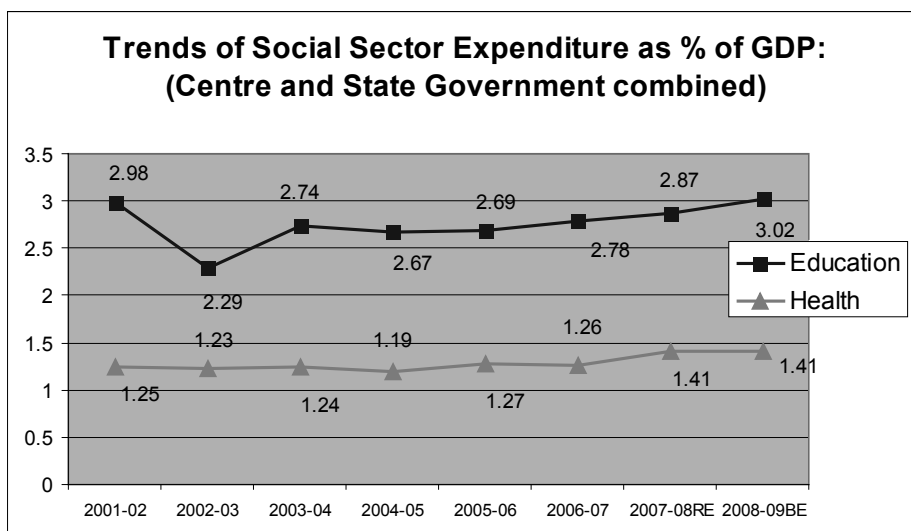
## Social sector outlays

One of the reasons for pathetic progress on social indicators is inadequate allocation. Way back in

<sup>1</sup> Based on three equally weighted indicators: the proportion of undernourished as a percentage of total population, proportion of underweight children under five; and the under-five mortality rate.



2004 the National Common Minimum Programme (NCMP) of UPA government had announced its intention to increase public spending on education to 6 percent of the GDP and on health to 2-3 percent of GDP, but there has been hardly any serious efforts in the last five budgets presented so far to move towards the announced targets. Overall expenditure on education and health has stagnated at about half the desired levels.



The central government may congratulate itself in increasing the outlays for social sector in the central budgets, but more than 80 percent of expenditure on these sectors is borne by the states, and unless they too fall in line, additional central allocations do not change the picture. Table below shows how expenditure on education and health as percentage of total expenditure has stagnated or even fallen in the states in the last eight years.

**Expenditure on education and health as % of total expenditure (all states)**

Year	Education	Health
2000-01	17.4	4.7
2001-02	16.1	4.4
2002-03	15	4.1
2003-04	12.6	3.5
2004-05	12.7	3.5
2005-06	14.2	3.9
2006-07	14.0	3.9
2007-08 (RE)*	14.0	4.0
2008-09(BE)**	14.2	4.1

Source: (RBI website)  
 \*RE: Revised Estimates  
 \*\*BE: Budgetary Estimates

One expected that the current budget of the UPA government would show some upward movement in allocations for the social sector, but it disappointed us and did not fulfil the promises made in the NCMP.

## NREGA

Allocations under wage employment schemes have not only been grossly inadequate, but have actually fallen. In 2005-06, that is, before the introduction of NREGA, when each worker was being given 5 kg of foodgrain per day as part of the wages, the RE figure for wage employment works under the Ministry of Rural Development was Rs 10,200 crores excluding Rs 1,500 crore meant to cover the cost of food component. According to the bulletin of the Ministry of Consumer Affairs, Food and Public Distribution for the month of November 2007, off take of food grains from Central Pool in 2005-06 for wage employment schemes was as follows:

Scheme	Rice	Wheat	Total economic cost <sup>2</sup> in crore (Rs)
	in lakh tonnes		
SGRY	24.21	15.71	4878
SGRY (spl. Component)	7.44	9.82	2021
National Food for Work Prog.	6.59	4.08	1307
Total	38.24	29.61	8206

Thus the overall cost borne by the central government for running wage employment programmes in 2005-06 came to 10,200 plus 8206 = Rs 18,406 crores.

The foodgrain component of SGRY has now been vastly reduced, and there is no such component in NREGA. In 2006-07 the total foodgrain released for wage employment schemes was only 24 lakh tonnes as compared to 68 lakhs in the previous year. This has further come down to only 7.3 lakh tonnes in the current year (up to Nov 2007), and may not even reach 15 lakh tonnes by the end of the March 2008.

Converting these figures into cash would imply that the total expenditure by GOI on wage employment schemes came down from Rs 18406 crores in 2005-06 to Rs 16,117 crores in 2006-07, and close to Rs 15,000 crores in the current year.

The allocation of Rs 16,000 crores for 2008-09 even at current prices does not match what was already being spent in 2005-06 on the scheme. If inflation is taken into account the allocation for 2008-09 is less than what government spent in 2005-06 by at least 30 percent!

No wonder the legal guarantee of 100 days wages, according to CAG, has been fulfilled in only 3 percent of the cases. According to a recent press note by the Ministry of Programme Implementation and Statistics on 'Employment and Unemployment Situation in India: 2005-06', among the persons of age 15 years and above in the rural area, only 5 percent got public works, 7 percent sought but did not get public works.

<sup>2</sup> Economic cost of rice and wheat for 2005-06 per tonne was Rupees 13,373 and 10,444 respectively.

Thus the introduction of NREGA has actually reduced Government's financial liability to support wage employment. No wonder GOI is so keen to extend NREGA throughout the country, not taking into account that about one-fourth of the districts in India (many in north-west India, Himachal, Uttarakhand NE, and Kerala) are labour scarce districts! Wage-employment programmes should not be run in these districts, where wage rate is already high and where unskilled labour comes from other regions. Such districts should be offered more funds for other programmes, including irrigation and rural infrastructure. Reckless expansion will only promote migration and fudging of documents.

### **Child labour**

How serious are we towards eradicating child labour in the country? As per the Census 2001, the total number of economically active children in the age group of 5-14 years is 1.26 crores. As per the Rajya Sabha (RS) Question No 1733 answered on 05.12.2007, expenditure under the National Child Labour Project (NCLP) in 2006-07 was only Rs. 121 crores, which comes to less than 30 paise per child worker per day. No wonder they prefer begging on the street than be part of the government programme!

### **Old age pensions**

The prime minister had said in August 2007 that the National Old Age Pension Scheme will be extended to all the persons Below Poverty Line above the age of 65 years. A pension of Rs. 200/- per month will be provided and states will be requested to add another Rs. 200/- to this scheme. However, 12 states, including Andhra Pradesh, Bihar, Himachal Pradesh, J&K, Orissa and some NE states, are only paying only 200 Rs per month, thereby implying that the State share is zero! Why couldn't the GOI insist that the central share would be given only when states contribute at least Rs 100 per month?

### **Delays**

One of the commitments made in the NCMP was that Government will introduce a social security scheme for unorganised workers. In the budget speech 2007 finance minister announced a new scheme called 'Aam Admi Bima Yojana' (AABY), and he specifically said that it would be implemented in 2007-08 itself. However, releasing the guidelines for the scheme a few months back, the minister said the scheme would be implemented from the next financial year! Such delays are because of indifference on the part of states and archaic procedures.

### **From outlays to outcomes**

Enhanced allocations, howsoever vital for the social sector, are not sufficient to improve India's performance on MDGs. FM in his 2007 speech rightly said that 'There is no dearth of schemes; there is no dearth of funds. What needs to be done is to deliver the intended outcomes.'

How is outcome delivered in the states? By falsifying records! Sachin Pilot while trying to understand how ICDS functions in the districts observed (Economic Times Feb 11, 2008):

*"We discovered that all data of children at the centre for the past five months, weight, vaccinations, health records etc, were filled in with pencils. On probing further, I found it*

*was done so that in case of an official inspection, the figures could be erased and “correct” data inserted to make the centre’s performance look good!”*

The practice is so widely prevalent in all the states, presumably with the connivance of senior officers, that the data reaching GOI<sup>3</sup> shows only 8 percent as the overall percentage of malnourished children in case of 0-3 years (with only one percent children severely malnourished), as against 46 percent reported by NFHS-3. What is equally astonishing is the fact that records show a steep decline in the percentage of malnourished children from 29 to 8 percent, which are totally at variance with the findings of the various NFHS surveys. By sending bogus reports, the field officials are thus able to escape from any sense of accountability for reducing malnutrition.

The CAG found similar discrepancies in record management in its study of the NREGA. In 282 GPs in 21 states, dated receipt of applications for demand for work were not given; and in 343 GPs in 19 states, employment registers were not maintained. In the absence of recorded date of demand, the entitlement to unemployment allowance could not be easily established.

In Orissa, no budget provision was made by the state government for payment of unemployment allowance. Resultantly, in 12 test checked blocks, no unemployment allowance was paid to 5,143 registered households who were not provided with employment during 2006-07 despite demanding the same. In Uttar Pradesh, in four of the six districts covered in audit, 40,587 households demanding employment were neither provided employment, nor was any unemployment allowance paid to them.

The CAG’s overall conclusion was that systems for financial management and tracking were deficient, with numerous instances of diversion and misutilisation. As against the government claim of 43 days, CAG’s finding was that the average employment provided to each registered household was only 18 days in test-checked GPs.

It is not the size of allocations on pro-poor services alone that matters. Government of India transfers more than three and a half lakh crore Rupees every year to the states. If even half of it was to be sent to the six crore poor families directly by money order, they would receive more than 50 Rupees a day! It proves that public expenditure needs to be effectively translated into public goods and services that reach the poor for it to have an impact on poverty and social outcomes. Unfortunately different kinds of distortions can come in the way of resource allocations reaching the intended beneficiaries. There is enough evidence to show that government’s capacity to deliver has declined over the years due to rising indiscipline and a growing belief, widely shared among the political and bureaucratic elite, that the state is an arena where public office is to be used for private ends. Weak governance as manifesting itself in poor service delivery, excessive regulation, and uncoordinated and wasteful public expenditure, is one of the key factors impinging on development and social indicators.

## **Rural distress & Agriculture**

According to a recent press note of the National Sample Survey Organisation (NSSO) on consumption and employment (the 62nd survey), as many as 19 percent of Indian in 2005-06 living in rural areas belong to households which cannot afford to spend more than Rs.12 a day per person on consumption; and in the towns and cities as many as 22 percent belong to households where

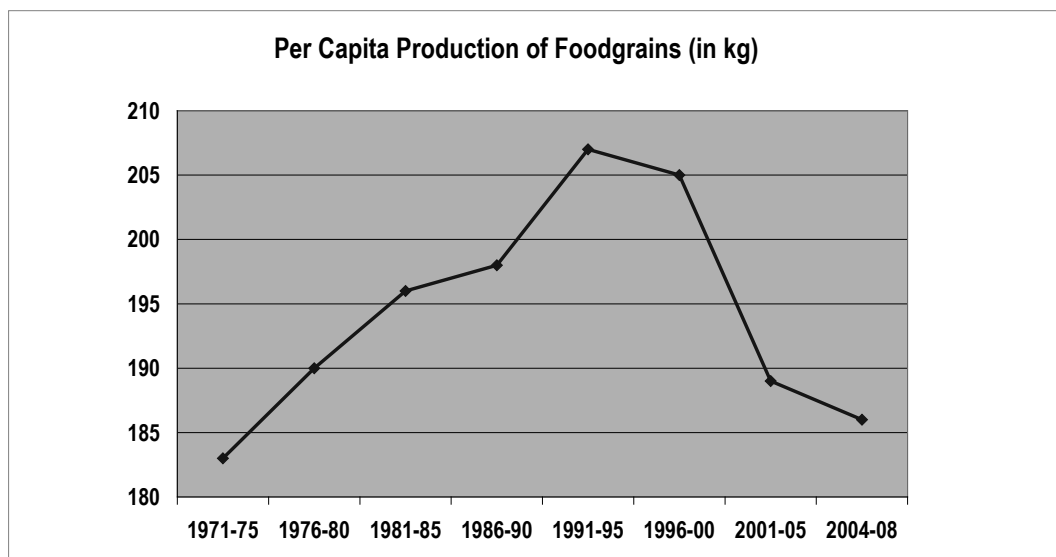
<sup>3</sup> according to a recent study by NIPCCD (National Institute of Public Cooperation and Child Development)

the daily per capita expenditure is less than Rs. 19. Such abysmal levels of consumption are surely linked to the very low wage rates. In rural India, the average daily wage of casual labour in 2005-06 was Rs. 59 for men and Rs. 38 for women; in urban India the rates were Rs. 81 and Rs. 45, respectively—in both areas below the statutory minimum. The pattern is unrelenting in all aspects of the quality of life. In India’s villages, 50 percent of families live in kutcha or semi-pucca homes, 74 percent of households still use firewood for cooking and 42 percent are forced to depend on kerosene for lighting their homes. “So much for life in a high-performing economy. In sum, the economy seems to be doing fine, it’s just the people that aren’t” (EPW Feb 11, 2008).

A recent UNDP survey (known as PAHELI) of Gajapati district in Orissa showed that 22 percent people in the district did not get two meals a day and 60 percent women survived only with one or two sets of clothes, and yet 36 percent of the families did not own a BPL or Antyodaya (AAY) card. In fact, in the entire country only about half of the poor have BPL/ AAY cards, whereas 17.4 percent of the richest quintile have managed to get the BPL/AAY cards, as shown below.

<b>% of HH that possess ration card 2004/05 (NSS 61st round)</b>				
	Any card	BPL card	APL card	AAY card
Poorest	77.3	44.2	28.2	4.9
Q2	81.6	40.5	38.4	2.7
Q3	83.3	40	41.6	1.8
Q4	84.9	30.5	52.7	1.7
Richest	87.5	16.8	70.1	0.6

The increase in rural distress is primarily because both per capita foodgrain production and agricultural production has fallen rapidly since 1996.



According to the Mid-Term Appraisal (MTA) of 10<sup>th</sup> Plan, within the crop sector, only fruits and vegetables, condiments and spices and drugs and narcotics continued to grow at over 2.5 percent per annum. Excluding these, growth rate of output of remaining crops fell below 0.5 percent per annum after 1996-97 as compared to over 3percent earlier. Assuming that population rose by 1.7 percent during 1996-2005, this amount to a decline of 1.2 percent per capita per annum in crop production.

According to the recent Economic Survey released by GOI, the consumption of cereals in India declined from a peak of 468 grams per capita per day in 1990-91 to 412 grams per capita per day in 2005- 06, whereas the consumption of pulses declined from 42 grams per capita per day (72 grams in 1956- 57) to 33 grams per capita per day during the same period. The decline for the bottom 50 percent would have been even sharper than the average.

## Interventions in the budget

The UPA government has surely increased the plan allocation for agriculture several times, and introduced some new schemes but its impact on increased agricultural production or on reduced rural distress will still be marginal. Disastrous policies, woeful access to affordable credit, greedy and corrupt middlemen, and indifferent administrations are among the factors that have pushed farmers to their breaking point.

The number of rural bank branches has come down, and farmers are forced to take loans at exorbitant rates from moneylenders and suppliers of inputs. Little relief has been announced in the budget on loans from ‘informal’ sources. It may be recalled that the Radhakrishna Committee appointed by the finance ministry on rural indebtedness had in July 2007 suggested the creation of a “Moneylenders Debt Redemption Fund” under which banks will finance a one-time repayment of loans to moneylenders in identified districts under distress. The finance minister while announcing a huge loan waiver scheme for the lucky ones who obtain loans at a low interest of 8 to 12 percent from banks and cooperatives has given no such relief to the unfortunate farmers who obtain loans from informal sources at an exorbitant 50 to 100 percent rate of interest.

## Controls over water

By providing farmers with electricity at flat rather than metered rates, and eventually for free, successive state governments across India let loose a chain of events with serious long-term consequences for depletion of groundwater. The successive budgets in the last four years have given many doles to farmers, but did little to control the excessive mining of groundwater, leading to a situation where shallow wells that were a source of water for small farmers have gone completely dry.

### Water famine – how real?

During the summer months of April-May 2000, the Maharashtra government was supplying drinking water through tankers in about 3000 villages; many of these had a standing and well-irrigated sugarcane crop. Thus groundwater that should have been a community resource was being monopolised by a few rich farmers, who also took advantage of easy availability of two other scarce resources – electric power and capital. The responsibility to provide drinking water was then transferred to the state.

Mid-Term Appraisal of the 9<sup>th</sup> Plan, 2000, page 300

## Flawed policy on agriculture

The policy approach to agriculture, particularly since the mid-1990s, has been to secure increased production through subsidies on inputs such as power, water and fertiliser, and by increasing the minimum support price rather than through building new capital assets in irrigation, power and rural infrastructure. This has shifted the production base from low-cost regions to high cost regions, causing an increase the cost of production, regional imbalance, and increasing the burden of storage and transport of food grains. The equity, efficiency, and sustainability of the current approach are questionable. The subsidies do not improve income distribution or the demand for labour. The boost in output from subsidy-stimulated use of fertiliser, pesticides and water has the potential to damage aquifers and soils – an environmentally unsustainable approach that may partly explain the rising costs and slowing growth and productivity in agriculture, notably in the Punjab and Haryana. Moreover, deteriorating state finances have meant that subsidies have, in effect i) ‘crowded-out’ public agricultural investment in roads and irrigation and expenditure on technological upgrading; ii) limited maintenance on canals and roads; and iii) contributed to the low quality of rural power. These problems are particularly severe in the poorer states. Although private investment in agriculture has grown, this has often involved macroeconomic inefficiencies (such as private investment in diesel generating sets instead of public investment in electricity supply). Public investment in agriculture has fallen dramatically since the 1980s and so has the share of agriculture in total gross capital formation. Instead of promoting low cost options that have a higher capital-output ratio, present policies have resulted in excessive use of capital on the farms, such as too many tube wells in water scarce regions.

The intensity of private capital is in fact increasing for all class of farmers, but at a faster pace in Green Revolution areas and for large farmers. Thus, fertilisers, pesticides and diesel accounted for a mere 14.9 percent of the total inputs in 1970–71 but 55.1 percent in 1994–95. For a large farmer in commercialised regions their contribution may have now become as high as 80 percent. But the proportion of output sold has increased at a much slower rate than the proportion of monetised inputs, including hired labour. The implication of this is a resource squeeze in agriculture. Whereas the need for resources to purchase these inputs has been increasing, the marketable surplus has been increasing at a slower rate to contribute to this, as the growth of non-farm employment has become very sluggish. It is not surprising that the repayment of loans is such a problem in Indian agriculture and has even led to suicides in some cases. A better strategy would be to concentrate on small and marginal farmers, and on eastern and rainfed areas where returns to both capital and labour are high. The need is also for better factor productivity in agriculture and for new technologies, which would be more labour intensive and would cut cash costs.

But a major question is whether substantial and equitable productivity gains in agriculture can be made there without significant improvement in the quality of governance in these states. However, governance is a non-monetary issue and therefore not of concern to the budget!

# Strategies for Children under Six: A Framework for the 11th Plan\*

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**E**arly Childhood Care and Development (ECCD) has been understood, acceptably, as a critical foundation for overall growth and development, not only of children, but of society by large. That it has been seriously neglected in India is amply demonstrated by the poor developmental indices that relate to the situation of children under the age of six, whether infant or under-five mortality rates, or the prevalence of malnutrition. As a matter of fact, that most interventions in this issue so far have changed the situation minimally and far too slowly.

The recently released results of the third National Family Health Survey (NFHS-3) show not only the poorer state of children (under six years of age) but the progress towards development as very slow. Almost half (46%) of all children under three are underweight (an improvement of only one percentage point compared to NFHS-2 which was carried out seven years earlier) and almost 80 percent of children in the age group of 6-35 months are anaemic. Only 24 percent of babies are breastfed within one hour of birth, and just about 46 percent are exclusively breastfed during the first six months. Only 44 percent of all children in the 12–23 months age group have received all recommended vaccines and only half the pregnant women had at least three ante-natal check-ups. As many as 57 of every 1000 children die before they reach the age of one year.

On the other hand only about 1 percent of the total union budget is spent on children under six years of age (hereafter “children under six”).<sup>1</sup> These children further receive little attention in the newspapers, political debates or the Parliament. According to a recent analysis of parliamentary proceedings by HAQ: Centre for Child Rights, only 3 percent of the questions raised in Parliament during last four years are related to the issues of children. Further, among the child-related questions,

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\* This paper, prepared at the request of the Planning Commission, builds on a presentation made there on June 1, 2007. An earlier version, published as a discussion paper (Gupta et.al. 2007), includes more detailed recommendations.

1 HAQ, Centre for Child Rights (2007). The share of child development (which includes ICDS and the crèche scheme) and child health in the total union budget is 1.3 percent.



less than 5 percent were concerned with child care and development in the age group of 0-6 years. Therefore, there is an urgent need to prioritise policies towards children under six, not only to protect their rights but also to ensure that the future generations are healthy and well.

The Supreme Court case (PUCL vs. Union of India and Others, Writ Petition (Civil) 196 of 2001) on schemes related to the right to food covers the Integrated Child Development Services (ICDS) scheme, a significant state intervention for children under six. An early interim order issued by the Supreme Court in the context of this case converts the benefits of these schemes, including ICDS, into legal entitlements. This, and subsequent interim orders, have provided a fresh impetus to advocacy efforts on strategies to redress the gross neglect of this issue. A group of people related to the Right to Food Campaign and the Peoples' Health Movement-India (Jan Swasthya Abhiyan) have been engaged with this in various ways, whether through grassroots action, research or interventions in policy formulation and implementations. Some of these efforts are detailed in the "Focus On Children Under Six" (FOCUS) Report<sup>2</sup>, 2006 released in December 2006.

Simultaneously, a more positive environment has been building up in favour of children under six amongst policymakers who are beginning to acknowledge the problem and look for solutions. In several states, there have been interesting initiatives in this field (e.g. related to ICDS) during the last few years, and much more can be done in this direction. This is further enhanced by the advent of complementary policy frameworks such as the National Rural Health Mission (NRHM) and Sarva Shiksha Abhiyan (SSA), which have the potential to provide much support to Early Childhood Care and Development (ECCD) even though its primary responsibility lies with the Ministry of Women and Child Development (MWCD).

**The Eleventh Plan is a critical process of policy determination for the next phase that could put into motion fresh strategies while positively reinforcing those that have worked before. These could include interventions in the ICDS with better focus on Infant and Young Child Feeding (IYCF) and outreach to children under the age of three years, as well as complementing strategies of crèches and maternity entitlements to women working in the informal sector. The Planning Commission also has the potential to provide the convergence and oversight that is critical to seriously addressing the inter-sectoral issue of malnutrition and ECCD. It is in this context that individuals associated with the campaigns referred to previously initiated a process of dialogue with the Planning Commission which resulted in the preparation of this paper<sup>3</sup>. The interventions that are being recommended can only gain ground with continuing debate and advocacy, and it is with that intent that this publication is being placed in the public domain.**

## 1. General Principles

The care of young children cannot be left to the family alone—it is also a social responsibility. Social intervention is required, both in the form of enabling parents to take better care of their

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2 Citizens' Initiative for Rights of Children Under Six (2006)

3 Since we had been specifically requested to analyse the experience of countries like Thailand during the developmental phase when they were most akin to India, a companion paper on Thailand's experience has also been prepared (Garg and Nandi, 2007) and is summarised in a table in this paper

children at home, and in the form of direct provision of health, nutrition, Pre-School Education (PSE) and related services. Interventions for children under six years or ECCD must broadly address at least three dimensions: child health, child development/education and child nutrition. These must necessarily be provided simultaneously in the same system of care. Further, while planning for provision of ECCD it must be kept in mind that different age groups require different strategies. The three crucial age groups are generally considered to be: (1) children 0–6 months of age—the period of recommended exclusive breastfeeding, (2) children 6 months to 3 years—until entry into pre-school, and (3) children 3 years to 6 years—the pre-school years, until entry into school. This paper argues for comprehensive strategies for these groups of children, with a special focus on their nutritional needs, even though there is a close relationship between health, growth, nutrition and development in this age group and these dimensions need to be considered holistically. In fact, it is with this understanding that the Integrated Child Development Services (ICDS) was conceived as a comprehensive programme addressing all these needs of children under six.

It is well understood that the health and nutrition of a young child is also determined by the status of the mother's health. A malnourished mother often gives birth to an underweight child who in turn grows up to be a malnourished adolescent, and in the case of girls perpetuates the cycle of malnutrition by giving birth to a low birth weight baby. It is also important that simultaneously there are interventions to ensure nutrition of adolescent girls and women, and for women's access to care during pregnancy, and this has been the rationale of the 'life-cycle approach'. Therefore the two aspects to addressing malnutrition i.e. prevention of malnutrition and management of malnutrition, are both linked and complementary. Care of the malnourished child thus also contributes to prevention through its impact on future generations.

The poor status of women has a direct correlation with malnutrition not only through its effect on birth weight but also on child care. The 'care-giver' role of women is so steeped in invisibility, so poorly understood and so much taken for granted, that interventions to provide support are largely missing even as huge bodies of work now exist to show the relationships of women's work, time, energy and power to the health of children. It is this factor that gives rise to the so called South Asian Enigma, where populations of non-South Asian countries show a better status of child nutrition than South Asian countries even when the former are substantially poorer. This difference has been attributed to relatively high levels of gender inequity in the South Asian context (Sundaraman and Prasad, 2006).

It is recognised that the overarching determinants of malnutrition include not only gender inequality, but also poverty. Poverty impacts malnutrition in multifarious ways—by reducing purchasing power for good quality calorie dense foods, by reducing access to healthcare, by giving rise to physical environments lacking in safe water and sanitation and by impact on education. If this is accepted as one of the main determinants of malnutrition, there must be strategies built in to create livelihoods, reduce poverty and empower the poor. Conversely, no strategy for better nutrition should have the opposite effect.

In this paper, we restrict ourselves to looking at the strategies needed to meet the comprehensive needs of children under six, with special emphasis on nutrition. In particular, we examine the extent to which existing programmes such as the ICDS, with expanded coverage and quality improvements,

can be utilised. Complementary interventions such as maternity entitlements, crèches and support to “infant and young child feeding” (IYCF) are also discussed.

### 1.1 Essential Components of Early Childhood Care

Strategies for children under six require three essential components:

- A *system of food entitlements*, ensuring that every child receives adequate food, not only in terms of quantity but also in terms of quality, diversity and acceptability.
- A *system of child care* that supplements care by the family and empowers women. Such care needs to be provided by informed, interested adult carers, with appropriate infrastructure.
- A *system of healthcare* that provides prompt locally available care for common but life threatening illnesses. Such a system needs to address both prevention and management of malnutrition and disease.

### 1.2 Age 0–6 months: Early Initiation and Exclusive Breastfeeding

According to most recent guidelines (WHO guidelines and National Guidelines for IYCF), breastfeeding must be initiated within one hour of birth and exclusive breastfeeding should continue until six months of age. Studies have shown that exclusive breastfeeding alone provides all the nutritional requirements in this age group. It has also been shown that this is the best prevention and treatment for the major killers during the neonatal period (e.g. Diarrhoea, Pneumonia and Sepsis). Recent studies have shown that starting breastfeeding within one hour of birth can help reduce the risk of neonatal mortality by almost a third. Universal coverage of exclusive breastfeeding up to six months of age can save 13 – 15 percent of all under five deaths, i.e. about more than 3.5 lakh children each year for India (BPNI, 2006). Continued breastfeeding for two years of age and beyond, along with the introduction of adequate and appropriate complementary feeding from the 7<sup>th</sup> month onwards, can further reduce the risk of death by six percent or so.

Even though breastfeeding is such a vital means of reducing deaths of young children, and ensuring their best growth and development, little emphasis is paid at the policy level to promoting and supporting mothers to breastfeed their babies adequately. India is committed to protecting, promoting and supporting breastfeeding through the IMS Act.<sup>4</sup> However, there is no budget head for this in the existing child health and development programmes of the country.<sup>5</sup> The National Maternity Benefit Scheme (NMBS), which provides for a one-time payment of Rs.500 to pregnant women below the poverty line, partially addresses maternity entitlements and the nutritional requirements of pregnant women and breast-feeding children. However, this scheme is currently languishing in most of the country (Saxena and Mander, 2007). The huge gap in maternity entitlements for the majority of

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4 The full name of this Act is *The Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992, as Amended in 2003 (IMS Act)*.

5 The Supreme Court directive of Rs. 2 per day per child for supplementary nutrition covers all children, including infants 0-6 months old. However, these infants do not need any supplementary nutrition, they only need breastmilk. The money meant for this group of children (Rs. 2 per child born for 180 days) can be used for protecting, promoting and supporting breastfeeding through a separate budget head created for this purpose.

women who work in the informal sector needs much more public attention as an important element of social security for the well being of women and children, and specifically for the food security of very young children.

The following are some of the interventions required to ensure exclusive breastfeeding:

- **Breastfeeding Counselling and Support:** Initiating breastfeeding within the first hour and ensuring colostrums feeding requires that the mother be provided support and counselling for this immediately after the delivery. Many myths that exist, especially regarding colostrums feeding, must be countered through counselling women and their families. Awareness campaigns must be directed towards increasing society's support to mothers for exclusive breastfeeding for six months. Mothers need to be given constant support to continue breastfeeding. There should be a support system that allows a home visit twice a week during the first two weeks and once a week later, after birth, to assist and maintain exclusive breastfeeding. It should be done by an adequately skilled and trained person at the family level, and supported by a 'specialist counsellor in IYCF' at the cluster level to help solve the difficult problems that a mother may face.
- **Crèches:** Ensuring exclusive breastfeeding requires that mothers stay close to their infants during this period. However, many breastfeeding women, especially poor women, often need to work outside the home, where they cannot take their infants with them. Crèches at/near workplaces to support frequent breastfeeding, flexible hours and breastfeeding breaks must be provided.
- **Maternity Entitlements:** Women must be enabled to stay home to breastfeed the very young child and compensated for the loss of wages. This is not a controversial concept, since it has broadly been accepted for the 'formal sector'. Many women are extremely undernourished themselves. While they can still produce adequate milk to feed their infants, exclusive breastfeeding for such long periods can further jeopardise these mothers' health. Women must have access to adequate nutrition and other forms of support to enable them to exclusively breastfeed their infants without endangering either their own health or their economic status. All these, as well as entitlements to healthcare, are included in the term 'maternity entitlements'.

Crèches and maternity entitlements are not part of current strategy at all. Provisions need to be made for this by expanding and improving existing programmes such as the National Maternity Benefit Scheme, Rajiv Gandhi Crèche Scheme and ICDS. In the current strategy breastfeeding counselling and support is expected to depend mostly upon the skills, training and time of the Accredited Social Health Activist (ASHA), who has many other tasks. Significantly, while many of her other tasks are incentivised, there are no incentives for achieving early and exclusive breastfeeding or optimal IYCF targets. It is only through adequate training and motivation of the Auxilliary Nurse Midwife (ANM), Anganwadi Worker and ASHA together that effective breastfeeding counselling and support can be provided.

Children in this age group also require growth monitoring, immunisation, newborn care and referral services to the health system. Details of what needs to be done, including employing a second worker at the Anganwadi to work specifically on children under 3 years of age, are presented in the Section 2.

### 1.3 Age 6 months to 3 years: Complementary Feeding and Day Care

From six months onwards, complementary foods are to be introduced to children along with continued breastfeeding for two years or beyond. Children can eat ‘normal home food’ (in mashed or semi-solid form), however children at this age can eat only small quantities at a time and therefore need to be fed many (about five) times a day and need to be given food that has adequate calories, proteins and micronutrients.

Some of the interventions required for this age group are:

- Ensuring that frequent meals in adequate quantity are given to the children. This food has to have adequate nutrients in the form of animal proteins (milk, eggs, meat, fish), adequate in fats, fruit and vegetables. Nutrition counselling and nutrition and health education sessions for mothers and family members are also required.
- Nutritious and carefully designed take-home rations (THR) based on locally procured food should be provided as “supplementary nutrition” for children in this age group. Currently THRs are in the form of just grain – this is inadequate. Also, THRs must be combined with nutrition counselling to ensure that they are used for the child rather than distributed amongst the family.
- Crèches must be provided, with trained workers, to ensure that these children are provided with adequate care and development opportunities, especially if there are no adult carers at home.
- Further services children in this age group require include regular immunisation and growth monitoring, treatment for anaemia and worms, prompt care for fever, diarrhoea, coughs and colds and referral services for the sick and severely malnourished child.

Most of the above can be provided by the ASHA and the Anganwadi worker, provided that a second Anganwadi worker is available (the need for a second Anganwadi worker is discussed in more detail below). However, current strategy provides neither for a second Anganwadi worker, nor for day care/crèches. This is so in spite of the widely accepted case for increased focus on children under three for prevention and management of malnutrition. Thus, the currently-proposed new strategies for desired focus on nutrition of under threes are limited to nutrition counselling and healthcare by ASHA that too not incentivised.

### 1.4 Age 3 to 6 years: Focus on Preschool

It is well established that pre-school education is very significant in helping children to prepare for formal schooling. Pre-school education assists children both to enter school and to remain in the system. A child cannot fully realise her right to education unless she has access to quality early childhood care and education. The interventions required for children in the age-group of 3 to 6 years (until joining school) are:

- A centre-based play-school facility with a teacher trained in conducting preschool activities. Again, this can be provided by the Anganwadi worker only if a second Anganwadi worker is appointed for the community based interventions for children under 3, pregnant and lactating mothers.

- Hot cooked meals, serving the same broad purposes as the Mid-Day meals in primary schools. These include not only nutritional support but also enhancing child attendance, promoting social equity, providing income support to poor households, and acting as a form of nutrition education.
- Health interventions such as growth monitoring, de-worming, immunisation, care of common illnesses, referral services etc.

The focus should therefore shift to quality pre-school education as the main task, with nutrition and health services playing roles similar to the Mid-Day Meal Scheme and the School Health Scheme in primary schools. Currently hot cooked balanced meals with adequate (animal) proteins, fats, fruits and vegetables are not part of the strategy for this group of children. (The “supplementary nutrition programme” under ICDS is further discussed below.)

If it is accepted that the ICDS centre (Anganwadi) is to function as a proper pre-school facility then a provision has to be made for a teacher-equivalent Anganwadi worker who is fully committed to this activity while a second Anganwadi worker looks after children under three in the community, as well as for Anganwadi cum crèche as and where required. Many children in the 3-6 age group will also continue to need day care services.

From the above discussion it is clear that different strategies are required for addressing the health, nutrition, care and development needs of children under six, depending on their age. The components of the services required by the three age groups among children under six are summarised in the table 1.

**Table 1: Essential Components of Early Childhood Care**

	<b>0-6 months</b>	<b>6 months to 3 years (until joining pre-school)</b>	<b>3 years to 6 years (until joining school)</b>
<b>Food</b>	Counselling and support for exclusive breastfeeding; supplementary nutrition and maternity entitlements for lactating mother	Supplementary nutrition in the form of nutritious take home rations (THRs), nutrition counselling, nutrition and health education	Nutritious hot cooked meal at the centre
<b>Child Care and Development</b>	Crèches at worksites and maternity entitlements to ensure proximity of mother and child	Crèches; expanding existing crèche schemes and creating Anganwadi cum crèches	Pre-school at the Anganwadi centre; Crèches/ day care facilities for those who might need it
<b>Healthcare</b>	Immunisation, growth monitoring, home-based neo-natal care, prompt referral when required	Immunisation, growth monitoring, prompt care for childhood illnesses, referral care for sick and malnourished children, de-worming, iron supplementation	Immunisation, growth monitoring, prompt care for childhood illnesses, referral care for sick and malnourished children, de-worming, iron supplementation

## 2. Strategic Interventions

It is therefore seen that the following systems would be required to provide comprehensive early childhood care and development:

- Maternity entitlements to ensure proximity of mother and child during the first six months as well as adequate care to both mother and child;
- Breastfeeding, IYCF and nutrition counselling and support services to families;
- Community based day care services/crèches;
- Pre-school centres;
- Supplementary nutrition;
- Healthcare services- predominantly community based with institutional backup.

The ICDS which is currently the only national programme to address the health, nutrition and pre-school needs of children under six years has the potential and mandate to fulfil many of these requirements. It requires expansion to reach to all children and improvements in quality. However, ICDS alone cannot provide all the required facilities and services. It should be seen as one component, among others, of a comprehensive strategy for children under six. Specifically, such a strategy must have the following components<sup>6</sup>:

### 2.1 ICDS: Universalisation with Quality

Given the central role of ICDS in this context, and the fact that about half the child population and over 70 percent of all poor children are malnourished, an effective strategy for children under six must include the universalisation of ICDS, or more precisely, “universalisation with quality”<sup>7</sup>. The universalisation of ICDS is one of the core commitments of the National Common Minimum Programme, and is also required for compliance with recent Supreme Court orders. In concrete terms, “universalisation with quality” would mean that (1) every settlement has an Anganwadi centre<sup>8</sup>, (2) all ICDS services are extended to all children under the age of six years and all eligible women and girls, (3) the quality of services is radically improved, and (4) priority should be given to disadvantaged groups, especially residents of SC/ST hamlets and urban slums, in this whole process.

As discussed earlier adequate attention must be paid to the needs of children within the different age categories. The Anganwadi worker must be trained to provide quality preschool education to children in the 3 to 6 year age group. Her tasks would also include providing a hot cooked nutritious meal that is sufficient in fats and proteins, including animal proteins where culturally acceptable.

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6 Detailed recommendations consistent with what follows are presented in the FOCUS Report (2006) and Gupta et. al. (2007).

7 For further discussion see the collection of articles on ICDS published in Economic and Political Weekly on 26 August 2006.

8 Specific directions on this are included in the Supreme Court’s judgement of 13 December 2006 which also establishes a right to “anganwadi on demand”: “.....rural communities and slum dwellers should be entitled to an “anganwadi on demand” (not later than three months) from the date of demand in cases where a settlement has at least 40 children under six but no anganwadi”.

A second Anganwadi worker must be provided in all Anganwadi centres (other than the existing Anganwadi worker and helper), who will focus on children under three years of age, pregnant and lactating mothers. The tasks of this second Anganwadi worker would include breastfeeding counselling, nutrition and health education and counselling, growth monitoring, provision of supplementary nutrition to children in the 6 months to 3 years age group and pregnant and lactating mothers, motivation for ante-natal care, immunisation and related matters. On some of these tasks, she would work in co-ordination with the ASHA. She would also be required to help in Anganwadi cum Crèche centres. (See below for details.)

Universalisation with quality also requires a range of other steps including adequate and quality training, improved infrastructure, appropriate cost norms to provide nutritious supplementary nutrition, increased community participation, convergence with the Health Department and so on. IYCF counselling and support should be recognised as one of the core “services” of ICDS.

## 2.2 The National Rural Health Mission

There should be greater convergence between ICDS and the National Rural Health Mission (NRHM) for prevention and management of malnutrition. At the village level the ASHA and the second Anganwadi worker can work together towards promotion of breastfeeding, nutrition counselling etc<sup>9</sup>. For this, nutrition related tasks performed by the ASHA (such as ensuring early initiation of breastfeeding) should also be incentivised. The ASHA would further be required to provide essential home based newborn care by making 3 to 7 visits in the first week of birth as well as prompt care on first day of fever, diarrhoea, coughs and colds. Where required, she would have to refer children to the Auxiliary Nurse Midwife (ANM) or Primary Health Centre (PHC).

Treatment of severely malnourished children must be the joint responsibility of the Health Department and the ICDS. While it would be the responsibility of the ICDS to identify severely malnourished children, the Health Department must make arrangements at the sub-centre and PHC levels for treatment of such children. This requires setting up nutrition rehabilitation centres in PHCs in areas with high malnutrition, training of ANMs on nutrition related issues, and authorising the Anganwadi worker to refer malnourished children to the Health Department. Financial provision should be made to support these children’s families during the period of rehabilitation.

IYCF counselling and support, while included under ICDS, should also be a mainstream intervention in Reproductive and Child Health (RCH) and NRHM, and listed as a child survival intervention along with “immunisation”. The creation of “IYCF counselling and support centres”, run by skilled women in a cluster of 5-30 villages, should also be considered. This ‘service’ should be made available as an entitlement.

Further, the Health Department must also ensure that the national programmes of immunisation, iron and vitamin-A supplementation are carried out and de-worming takes place. While the Anganwadi worker would play a role in motivating children for this, the Health Department must ensure adequate

<sup>9</sup> See Sinha (2007) on convergence with NRHM on malnutrition, need for a second anganwadi worker to reach out to the households and role of the anganwadi worker and ASHA in behaviour change communication.



and appropriate supplies (such as paediatric formulations of iron). A drug kit with essential drugs must be provided at the village level with either the ASHA or the second Anganwadi worker.

### **2.3 Maternity Entitlements**

Maternity entitlements are virtually non-existent in the country today, especially for poor women working in the informal sector. It is time that a beginning is made to correct this. Tripartite boards and funds must be set up to implement such entitlements for all sectors of informal work, so that employers contribute. An expanded and improved National Maternity Benefits Scheme must be put in place for all women left out of other schemes/provisions for maternity benefits.

A task force should be set up to look at the existing provisions for maternity entitlements in the country and make recommendations such that programmes are in place that protect the rights of the mothers and children to nutrition, rest and exclusive breastfeeding for six months. The existing laws (Maternity Benefits Act, Employees' State Insurance (ESI) Act, proposed Unorganised Workers Social Security Act, etc.) must be brought in line with the recommended principles.

### **2.4 Crèches**

As mentioned earlier, provision of crèches is an important intervention in addressing malnutrition, as they also provide proper care and attention to children while allowing their mothers to go for work. Existing schemes such as the Rajiv Gandhi Scheme must be expanded. ICDS cum Crèches must be provided as identified by need. It must be ensured that the provision under the National Rural Employment Guarantee Act (NREGA) for a crèche at the work site is implemented. Labour Welfare Boards as under the Building and Construction Workers Act, 1996, need to be brought in for the provision of crèches.

## **3. ICDS: Specific Issues**

In this section, we discuss some specific, major steps that are critical for quality improvement and better impact of ICDS.

### **3.1 The Supplementary Nutrition Programme**

The “supplementary nutrition programme” (SNP) under ICDS has a crucial role to play in combating child malnutrition. Nutrition education alone is unlikely to have a major impact, in a country unable to provide literacy to half its women, especially in the context of food shortages at the household level. Even in the United States, one of the richest countries in the world, there is a substantial school breakfast and lunch programme for the country’s poor (which provides bread, cheese, fruit, juices, vegetables, etc.) because it is recognised that nutrition education cannot be a substitute for food.

However, in its current form the supplementary nutrition programme under ICDS cannot be expected to have a significant impact. For children in the age group of 3-6 years, SNP consists of poor, cereal-based items that have little nutritional value. A transition needs to be made towards hot, nutritious cooked meals. The feasibility of providing nutritious cooked meals has been well demonstrated in the context of the “mid-day meal” programme in primary schools, and this approach needs to

be extended to children in the age group of 3-6 years under ICDS. As for children below the age of three years, they are virtually excluded from the SNP component of ICDS in most states. For these children, carefully devised “take-home ration” (THR) programmes, combined with nutrition counselling, are recommended.

### 3.1.1 Nutrition Aspects of SNP

As we move towards the universalisation of ICDS, it is important to learn from past mistakes relating to the supplementary nutrition programme.

1. The magic figure of 300-calorie deficit for the SNP component of ICDS needs to be re-examined. The latest National Nutrition Monitoring Bureau (NNMB) data (2006-7) show that even today there is a deficit of about 500 calories in the intakes of 1-3 years old and about 700 calorie among the 3-6 years old (see Table 2). There are bound to be additional multiple vitamin and mineral deficiencies when there is a 40 percent deficit in calories.

**Table 2: Nutrient Intakes of Pre-schoolers**

Age (yrs)	Intake (cals)	RDA (cals)
1-3	791	1240
3-6	1020	1690

Source: National Nutrition Bureau (2006).

- It is, therefore, not surprising that the current nutrition supplements of 300 calories, consisting mainly of cereals, often fail to result in better weights and heights of children (though their nutrition status might have been even worse in the absence of these limited supplements). The ICDS programme must incorporate the above information on actually existing food deficits in the country and increase the SNP amounts to 400-500 calories in two sittings.
2. The Supplementary Nutrition Programmes under ICDS have tended to concentrate on providing a “least cost” source of proteins and calories for children. Pulses were chosen as a source of cheap protein but well known foods like milk, eggs and meat have been ignored. It is known that even small quantities of meat help iron absorption from the diet. In addition the quality of meat protein is many times superior to cereals and pulses. Milk contains protein, calcium and other nutrients like Vitamin A etc. and egg yolk contains many other nutrients in the right proportion. Over the years even the cereal-pulse recommendation was corrupted to 300 cals from cereals alone, resulting in massive deficiencies of *all nutrients*, including micronutrients.
  3. It is known that children have small stomach capacities and are only able to eat small volumes at a time. This they would be unable to get all the calories they require from cereals which are bulky foods and do not have high concentration of calories. The WHO advises that 30-40 percent of calories should be derived from fats, thus cutting down volumes and assuring energy densities. Currently the SNP has no component of fats and oils.
  4. Another important point to consider is that foods like vegetables and fruits are an important source of vitamins and other nutrients. They also contain newly identified protective compounds such as anti-oxidants and phytonutrients, which are protective against cancers and chronic diseases.

Providing a hot, cooked, nutritious meal consisting of cereal, pulse, eggs and vegetables is essential for the SNP to have an impact. The provision of good quality balanced meals also has a demonstration value from the point of view of nutrition education.

As an example of improved SNP menus, the food items in Table 3 may be used in different combinations over the week to provide a varied, tasty and energy-dense meal every day. For example:

**DAY-1** egg, rice, oil and vegetables

**DAY-2** pulse, rice, vegetable, and oil

**DAY-3** wheat, groundnut, sugar and oil

**DAY-4** egg, rice, oil and milk

**DAY-5** groundnut, sugar and pulse

**Table 3: Possible components of SNP**

Source	Quantity/frequency	Calories	Nutrients
Egg	1 on alternate days	120	Vitamins A, N3, fats, proteins
Oil	10 ml	90	Fats, Vitamin E
Rice/ wheat	60gm	240	Calories, proteins
Vegetables	Carrots, greens, tomatoes, beans, others		Vitamins, minerals, protective compounds, etc.
Groundnut	20gm	140	Calories, proteins, calcium
Sugar	10-15 gm	60	Calories
Pulse	25gm on alternate days	100	Protein, calories, vitamins, minerals
Dairy product			Protein, calcium, Vitamin A

### **3.1.2 On “Take Home Rations”**

Available experience suggests that take home rations (THR) are the best option for providing food supplements to pregnant and lactating women as well as to children under the age of three years. This is because a pregnant woman, or a very young child, may not be able to come all the way to the ICDS centre every day just to receive food supplements. Further, centre-based nutrition programmes such as cooked meals are often not well suited to the needs of young children, who need frequent feeding throughout the day.

Take-home rations are often distributed on fixed days that may correspond to the ANM’s visit, or to health and nutrition activities such as ante-natal care or immunisation. This is a useful arrangement, which helps to ensure regular and transparent distribution of THRs and facilitates these complementary activities.

Though the concern has been articulated that THRs find their way into the family pot rather than the stomachs of the children they are intended for, it is considered (and substantiated by collective experience) that THRs can be effective when combined with nutrition counselling and support at the family level (this, again, requires the involvement of a second Anganwadi worker).

As with nutrition supplements provided at the anganwadi, current THRs have also tended to be cereal-based only. It is recommended that THRs comprise of fats/oils and proteins in addition to cereals and pulses at Rs 3 per child per day (plus food grains) to be most effective.

Of course, pregnant or lactating women and children under three who prefer to come to the centre on a daily basis should receive hot cooked meals as discussed above.

### 3.1.3 Food Fortification and Micronutrient Supplementation

Fortified foods and micronutrient supplements, mixed in different vehicles such as *atta*, rice, biscuits, candies etc., are rapidly spreading in the supplementary nutrition programme under ICDS, even when they have questionable nutrition value<sup>10</sup>. Often this happens under pressure from various lobbies and commercial interests. These processes and technologies promote centralised production and procurement of food stuff and detract from local control and autonomy over diets. Sometimes they even displace local livelihoods such as milling. They certainly promote the notion that special, ‘medicalised’ and expensive food is required to deal with micronutrient deficiencies. Where there is, on the one hand, a decision not to spend on more expensive ‘natural foods’ like milk or eggs, there is no hesitation to spend much more on micronutrient supplements of this variety.

To illustrate, consider the case of ‘*atta*’ fortification. When this form of fortification is adopted for our local *atta* the phytates tend to precipitate the iron making the fortification ineffective. This is even more likely to happen when a long shelf life is required as in the case of programmes like ICDS and the Public Distribution System (PDS). Large scale micronutrient and fortified distribution to populations with malnutrition may not only be ineffective but also have hazardous effects.

However all these concerns have not compelled the creation of a government policy on micronutrients and food fortification. Thus it is critical to constitute a regulatory framework for fortification and micronutrients in India. Such a framework must address the following issues:

1. Any large-scale micronutrients fortified food distribution should be preceded by a process of documenting and researching its implications<sup>11</sup>.
2. Any request for a trial of micronutrients and food fortification with undernourished populations should be placed before an appropriate authority, constituted by the Government of India. The trial should be continuously monitored and recorded by an independent monitoring group, so as to record any adverse effects.

It is the responsibility of the state to provide wholesome balanced food to children rather than a package of chemical nutrients. Micro-nutrient deficiencies in India exist because of massive macronutrient deficiencies, and if adequate food is supplied, most micronutrient deficiencies will disappear. There are already three national programmes pertaining to micro-nutrient deficiencies of vitamin A, iodine and iron. These should be carried out effectively. Thus the ICDS programme must focus on a meal-based strategy rather than a pill-based strategy for micronutrient deficiencies.

10 In a recent unpublished meta-analysis by Professor H.P.S. Sachdeva (presented at the National Institute of Nutrition, April 2006), the impact of iron fortified foods on anaemic populations was studied. Only an increase of 0.4 gms in existing haemoglobin levels was found.

11 In fact, the Prevention of Food Adulteration (PFA) Act currently does not allow fortification of foods with anything else besides iron and iodine.

There is an urgent need therefore to constitute a regulatory body which approves all usage of micronutrients only after proper scientific scrutiny and after the efficacy of the micronutrients has been established over and above the many benefits of providing hot cooked good quality meals as detailed in the section above.

### *3.1.4 The Diverse Roles of SNP*

Before concluding on SNP, it is worth pointing out that the provision of nutritious food to young children under ICDS's supplementary nutrition programme serves a range of important purposes, including - but not restricted to - nutritional goals. Indeed, this programme can serve at least seven important purposes:

1. It provides quantitative supplementation by increasing children's food intake, and in particular their calorie intake.<sup>12</sup> Children aged 3–5 years who are attending the Anganwadi for preschool activities for a period of three hours most certainly require to be fed at least once in that duration to prevent "classroom hunger".
2. It enhances the quality of children's diets by giving them nutritious and diverse food items they may not get at home, such as vegetables, eggs, fruit, etc.
3. The provision of nutritious, cooked meals at the Anganwadi is a form of "nutrition education" - it helps to convey what a nutritious meal looks like, and to spread the notion that children require a regular and balanced intake of various nutrients.
4. The provision of nutritious food at the Anganwadi helps to ensure regular attendance.<sup>13</sup> This provides an entry point to all the other comprehensive health and development services that the ICDS offers.
5. The supplementary nutrition programme is a form of implicit income support and an intervention in poverty, since it saves feeding costs to the parents.
6. The sharing of cooked meals at the Anganwadi, irrespective of caste and class, helps to break traditional social prejudices, and to impart egalitarian values to children at a young age. This is an important start to the kind of socialisation required to bring about social change.
7. Finally, aside from these instrumental roles, nutritious meals at the Anganwadi have intrinsic "enjoyment value". They can bring a touch of colour and well-being in the lives of poor children, especially when they are shared in a welcoming environment.

The supplementary nutrition programme needs to be seen in the light of these diverse roles of nutritious meals. A narrow focus on "quantitative supplementation" (important as it may be) tends

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12 Though the concern is sometimes raised that the SNP may displace food provided by the family, there is evidence that this rarely happens (Jacoby, 2002). If any substitution does happen, it is typically less than one-to-one, so that there is some "net" quantitative supplementation. Qualitative supplementation through the programme can only add to the net gains to the child. There is thus the real potential of augmenting a largely cereal-based home meal with good quality more expensive foods as part of an SNP.

13 The fact that the provision of cooked food has considerable effects on child attendance is well-documented in the context of mid-day meals in primary schools (see e.g. Drèze and Goyal, 2003 and Khera, 2006). If anything, the attraction of nutritious food is likely to be even higher for younger children. The FOCUS survey found that the provision of cooked food at the local Anganwadi raised the probability of regular attendance of an average child by nearly 50 percentage points (FOCUS Report, page 61).

to miss the rich opportunities presented by this programme. This is, indeed, an important lesson from India's recent experience with mid-day meals in primary schools.

### 3.2 Priority without Targeting

The suggestion is often made that nutrition programmes (or other components of ICDS) should be “targeted” at specific groups of children. For instance, an early draft of the “Sarva Bal Vikas Abhiyan” proposal<sup>14</sup> suggested that the supplementary nutrition programme (SNP) under ICDS should be “operationalised as follows for the management of underweight”:

- **“Children with mild underweight:** Caregivers/mothers would be advised to take care of the children with available foods at home.
- **Children with moderate underweight:** Single ration would be provided along with appropriate nutrition and health advice.
- **Children with severe underweight:** Double ration would be provided along with appropriate nutrition and health advice and referral service.”

This targeted approach, however, is problematic for several reasons. First, this issue has to be seen in the light of the massive reach of undernutrition among Indian children. As mentioned earlier, nearly half of all Indian children are undernourished based on standard “weight-for-age” criteria, and nearly 80 percent are anaemic (NFHS - 3). Thus, only a small proportion of children could be “safely” excluded from nutrition programmes. The financial savings involved in excluding this small minority are unlikely to justify the efforts, costs and risks associated with targeting – especially the risk of inadvertent “exclusion” of many undernourished children.<sup>15</sup>

Second, this approach focuses exclusively on the “management” of undernutrition, at the cost of “prevention”. Providing nutritious food to *all* children (through take-home rations at an early age, and nutritious cooked meals from the age of three) helps to ensure that most of them do not fall in the category of “moderate or severe underweight” in the first place. This is much better than trying to extricate them from this predicament after they have lost weight – repairing that damage can be quite difficult, increasingly so as the child gets older. (The notion that children with mild underweight could be effectively protected by advising their mothers to “take care of the children with available foods at home” is wishful thinking.)

Third, targeting is a slippery slope. It paves the way for gradually narrower eligibility restrictions, possibly leading to the “dismantling” of the programme (recent experience with the public distribution system is quite sobering in this regard). Targeting is also divisive and undermines social solidarity. As it is, political commitment to ICDS is quite weak. Targeting would further undermine this fragile support for the programme, as the better-off sections of the population would no longer have a stake in it.

<sup>14</sup> Government of India (2007). More recent versions of this document, however, do not include this approach.

<sup>15</sup> There is much evidence of poor reporting of weight-for-age data under ICDS as things stand. Anganwadi workers are often under pressure to “hide” undernutrition (especially severe undernutrition), and the official figures often underestimate the number of malnourished children (see e.g. Garg, 2006).

Finally, the targeting issue has to be assessed bearing in mind the diverse roles of the supplementary nutrition programme, discussed in the preceding section. For instance, a universal SNP has much greater “socialisation” value than a targeted programme. Similarly, a universal programme is likely to have stronger incentive effects, in terms of promoting regular attendance.

Thus, in many different ways, the targeting of nutrition programmes is fundamentally at variance with the “rights approach” advocated in this paper. Having said this, it should be clarified that we are not arguing for identical treatment of all children. Universalisation does not mean “uniformity”. For instance, intensive rehabilitation of severely undernourished children is essential, and this involves a limited form of targeting. We have also argued, elsewhere in this paper, for giving priority to disadvantaged groups (e.g. residents of SC/ST hamlets and urban slums) in the process of universalisation. Special financial allocations for deprived areas may also be advisable in some circumstances. Thus, we are not ruling out some differentiation of entitlements between different groups. But the basic entitlements (e.g. to a nutritious cooked meal, in the case of children in the age group of 3-6 years) should have universal coverage.

### 3.3 Need for a Second Anganwadi Worker

The ICDS programme through the Anganwadi centre aims to provide a package of comprehensive services addressing the health, nutrition, growth and development needs of children under six. For this to be done effectively, each Anganwadi centre must have two Anganwadi workers and a helper. The second worker is required because the number of women and children to be covered by an Anganwadi is too large to be handled by a single Anganwadi worker. The number of children being covered by a typical Anganwadi would be around 100.<sup>16</sup> Added to this, the Anganwadi centre would also have to reach out to pregnant and lactating mothers and adolescent girls. It is impossible for a single Anganwadi worker to provide effective services to such a large number of women and children.

Secondly, as discussed earlier, the services required by the different age groups (namely 0-6 months, 6 months to 3 years, and 3 to 6 years) entail diverse strategies. While children under three mainly require community based services,<sup>17</sup> children in the 3 to 6 year age group require centre-based services. In the present scenario of having one Anganwadi worker, neither of these two groups is being effectively reached. While many have pointed out the neglect of children under three by the ICDS, studies have also shown that the ICDS has failed in providing quality pre-school education to children in the age group of 3-6 years. Therefore having two workers and a helper at each Anganwadi is essential to ensure that all ICDS services are provided effectively to the different age groups. The three of them could work as a team with one Anganwadi worker focusing on children under three and the other on providing pre-school education. Both the workers would have to be given basic training on the entire range of issues.

One Anganwadi worker would focus on providing community based services for children under three, pregnant and lactating mothers. Her tasks would include the provision of supplementary

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16 This would be the case when the new norms of one Anganwadi centre per 800 population comes into force; assuming about 80 percent of children use ICDS services.

17 As mentioned in previous sections many of these children also require that crèche/day care services are provided at the Anganwadi centre.

nutrition to pregnant and lactating mothers, breastfeeding counselling and support for families of 0-6 month old children, growth monitoring of children under three, distribution of take-home rations, and nutrition education and counselling for families with children under three. Further, she would have to identify severely malnourished children and sick children and refer them to the health system. She would motivate families for immunisation, update the “mother and child card” and work along with the ASHA. This worker would be key to convergence between NRHM and ICDS.

The second Anganwadi worker would run the Anganwadi centre for children in the 3-6 years age group. She would be a teacher-equivalent worker who provides quality pre-school education to the children attending the Anganwadi centre. Further, she would have to ensure that the pre-school children are provided with a nutritious hot cooked meal everyday and health check ups as with the school health programme.

The Anganwadi helper would be responsible for fetching the children, cooking and serving the food in the Anganwadi centre, keeping the centre clean and helping children and Anganwadi worker in play activities. In Anganwadi-cum-crèches, the team would be responsible for running the crèche services for young children.

Other than these three workers of the ICDS programme, the ASHA under the NRHM would also have a role. The ASHA is responsible for promotion of early initiation of breastfeeding within one hour of birth, colostrum feeding and follow up support for the first two weeks. She would also be responsible for home-based neo-natal care by making home visits during the first month after birth. These tasks of the ASHA must be incentivised. The ASHA cannot however replace the need for a second Anganwadi worker as she has many other responsibilities such as mobilising the community towards local health planning, help in developing a village health plan, escort women and children requiring medical treatment, provide primary medical care, promote construction of household toilets and so on.<sup>18</sup> Table 4 summarises the main tasks of different workers in the proposed approach.

**Table 4: Role of Anganwadi workers, ASHA and ANM  
(in relation to children under six, pregnant and lactating mothers)<sup>19</sup>**

Focus Group	AWW 1 (focus on under-3s)	AWW 2 (pre-school teacher)	ASHA Community based	ANM Sub-Centre based with field visits
0-6 months	Supporting exclusive breastfeeding. Motivating for immunisation. Growth monitoring and encouraging early initiation of breast feeding.		Providing new born care, supporting management of low birth weight and sick babies. Weighing at birth and recording birth weight, assist in beginning breastfeeding within one hour, and establishing exclusive breastfeeding as an accepted community norm, establishing complete immunisation as a community norm.	Providing immunisation services and timely curative & referral services for sick new borns Assists in beginning breastfeeding within an hour ( if she is conducting delivery) Management of severely undernourished children

<sup>18</sup> For ASHA’s roles and responsibilities, see the website of the Ministry of Health and Family Welfare ([www.mohfw.nic.in](http://www.mohfw.nic.in)).

<sup>19</sup> This table is adapted from Sundararaman and Prasad (2006), “Accelerating Child Survival”, Book 3, Public Health Resource Network.



6 – 36 months	Growth Monitoring, providing supplementary nutrition in the form of THR. Motivating for complete immunisation, vitamin supplementation. Nutrition rehabilitation of severely undernourished children and referral		Positively influencing complementary feeding practices of families and at the community level, encouraging adoption of hygienic practices regarding water and sanitation, early detection and management of childhood illness especially management of diarrhoea. Counselling and follow up of families with severely undernourished children	Providing timely curative and referral services. Management and referral of severely undernourished children
3-6 years months		Pre-school education, growth monitoring, organising cooked mid-day meal, nutrition rehabilitation of severely undernourished	Identification and referral of sick children. Counselling and follow up of families with severely undernourished children	Health Check ups and curative services, management and referral of severely undernourished children
Pregnant women	Growth monitoring and supplementary nutrition		Working with women, families and the community to ensure adequate weight gain through appropriate nutrition, reduction in workload, rest and accessing timely health services especially supporting clean and institutional delivery	Ante Natal Care, promoting delivery by Trained Birth Attendant, promoting and supporting Institutional Delivery
Nursing Mothers	Supplementary nutrition, breastfeeding support		Post natal care, encouraging early initiation of breastfeeding	Post natal care, Immunisation
AWW cum Crèche (0-6 years) (10% of all AWWs)	Both the Anganwadi workers to be full time workers where they continue to perform their regular duties and also share the responsibility of running the crèche.			
Anganwadi Helper (full time in case of AWW-cum-crèche)	<ul style="list-style-type: none"> <li>• Cook and serves food in the crèche</li> <li>• Help children and AWW in play activities</li> </ul>			

Another benefit of the two-worker model is that it would enhance the accountability of Anganwadi workers and improve their work environment. The disempowering work environment of Anganwadi workers is one reason for the poor quality of ICDS services in many states. The fact

that the Anganwadi worker has to cope on her own with all the challenges of looking after up to 100 children, with little support (if any) from her supervisor, is one aspect of this disempowering environment. The two-worker model, on the other hand, makes room for mutual support as well as peer monitoring.

The “two-worker” model is often resisted on the grounds that it is too expensive. This view fails to appreciate how “cost-effective” this model actually is. To illustrate, under the current salary norms (Rs 1,000 per month), posting an additional worker in *each* of the country’s 8.5 lakh Anganwadis would only cost about Rs 1,000 crores per year. This is a very small price to pay for a measure that could make a big difference. Of course, both the number of Anganwadis and the salary norms are likely to increase during the 11<sup>th</sup> Plan. But even posting a second worker in 14 lakh Anganwadis, at twice the current salaries, would cost just Rs 3,360 crores per year. This is not much more than what India spends every year to defend the Siachen glacier.

Further, these figures refer to financial costs, and the “real” economic costs are likely to be much lower. Indeed, to a large extent, the labour of an Anganwadi worker is an efficient substitute for much greater expenses of labour on the part of the children’s mothers. For instance, when the Anganwadi worker and helper provide a mid-day meal to the children, their work “saves” a lot of work to the mothers, who don’t have to cook for the children at home. While the Anganwadi worker’s work is paid, the mothers’ work is unpaid, and this creates the impression that a “cost” is involved, but in fact, resources are being saved! This would be reflected in the financial costs if mothers’ work were paid, and it is the absence of any payment for domestic work that creates the illusion that Anganwadi workers are “expensive”. Further, reduction in household work would contribute to better health and nutrition for women, which is closely linked to the status of health and malnutrition of children. Taking all this into account, the economic cost of the two-worker model is likely to be much lower than the financial cost, and good economics requires us to focus on the former.

This conclusion would be reinforced by a proper accounting of the *benefits* of having additional Anganwadi workers. It is not just that the children will be healthier, better nourished and better prepared for school. Anganwadi workers are also useful role models and agents of change in a fairly conservative and patriarchal rural society. In many villages, the Anganwadi worker is the only woman who has a paid and dignified job, with opportunities to develop her creativity and talent. Her presence can greatly help, in many different ways, to give younger girls a sense of possibility and to secure a better deal for women in society (in some states, for instance, Anganwadi workers have played an active role in recent campaigns against domestic violence and sex-selective abortion). All this adds to the social value of Anganwadi workers. As the largest employment programme for women in rural India, with a potential to employ as many as 4 million women everyday, ICDS also has a very significant contribution to make to women’s empowerment.

In short, the two-worker model is not just enlightened social policy but also sound economics. India has a “comparative advantage” in labour-intensive provision of social services; large-scale mobilisation of educated women as Anganwadi workers would be an excellent use of this comparative advantage.

### Learning from Thailand's Experience\*

Thailand (1980s)	India (2007)	How to Close the Gap
Able to halve child malnutrition levels in 1980s	Child malnutrition rate stagnant for last 5 years	Strengthening ICDS
Coverage – Universal, Very High Coverage ensured	Coverage – low, two-third children left out	Increase No. of AW centres Increase no. of workers in each AWC to 2 to enhance outreach
SNP- Strong universal SNP provision, provided 450 kcal in 100 grams by providing pulses and fats	SNP – 300 kcal, mainly cereal	Raise SNP norm in ICDS to Rs.3 per child/day plus 80 gram grain. Provide oil, pulses in take home rations for under 3s, Provide hot cooked meals with eggs/milk for 3-6 year olds
High Manpower intensity: 1 nutrition worker per 20 children, helps to ensure very high coverage of under-6s and effective nutrition education on breastfeeding, complementary feeding,	Worker: Child ratio at 1:100, Single part-time worker per centre unable to devote time to home visits	Having two AW workers each in 14 lakh centres will enable a ratio of 1 worker per 25-30 children and effective nutrition education and coverage
Universal Iron, Vitamin Supplementation – successful in reducing Anemia	Supplementation part of strategy and policy but huge gaps in providing it - Absence of pediatric Iron tablets Irregular IFA supply for pregnant women	Ensure regular supplies of Iron supplements to women and children
Strong linkage with Health	Weak linkage with health so far, Malnutrition not seen as any Department's responsibility, but NRHM present as an opportunity	ICDS-Health Convergence at all levels from ASHA onwards Regular drug kits to AW centres Clinical support for Grade 3 & 4 children needing institutional check-up or care

Source: Garg and Nandi (2007)

### 3.4 Making ICDS Work<sup>20</sup>

In moving towards universalisation with quality, one major challenge is the management of a large public service delivery programme. Much of the hesitation to sanction such an expanded scheme stems from the past experience with implementing ICDS. Poor capacities to manage such a large public programme, poor governance, high leakages, lack of local accountability, low motivation levels and poor community ownership are some of the problems that have plagued ICDS.

An understanding of poor ICDS performance as stemming mainly from operational problems often leads to a search for “contracting out” solutions, where commercial and not-for-profit non-governmental institutions are asked to organise the services. But since the central problem behind

20 This section draws on an earlier discussion note for the Planning Commission prepared by Patnaik, Deshpande, Zaidi and others (2007).

the inefficiency of state-run ICDS is mis-governance and not merely lack of capacities, any attempt at contracting out part or all the functions usually leads to even greater problems of governance – but now without the built-in checks and balances that public service delivery has.

Thus, the operational issues of managing such a large and expanding programme as a public service need to be faced. Some of the key operational issues are discussed below.

### **3.4.1 Decentralisation and Community Participation**

Decentralisation and the involvement of communities is the first key aspect that must be considered. For instance, the selection of Anganwadi workers must be done by the Gram Panchayat – but through a supervised process that involves the community. It should not be left to the whims of the local elite who often control the Panchayat, but nor should it disregard the central authority of the Panchayat, for the alternative is usually an unacceptable process where selection is left to the bureaucracy or the local legislative member. What is said for selection is also applicable to the process of accountability and of monitoring and support - primarily by the Panchayat but not passively left to it.

There is very little community involvement in the current programme. Except for rare instances like the *Mitanin* programme in Chhattisgarh or the work of the Rajmata Jijau Mission in Aurangabad, the involvement of communities and Panchayats has rarely gone beyond sub-contracting tasks (like the cooking of the meals) with very little real financial or other powers. Yet there are large areas of untapped potential for community contribution.

Informed and involved communities can have a major impact on nutrition practices and outcomes. For instance, one of the barriers in the fight against undernutrition is the gross social under-recognition of this issue. Community mobilisation can play a critical role in influencing the way society perceives undernutrition and create a social will to fight it.<sup>21</sup>

Community mobilisation can also play a major role in supporting behaviour change in long-standing child care practices, and in achieving improvements in the utilisation of ICDS services. For instance, there may be a variety of genuine reasons for a mother not sending her child to the Anganwadi (e.g. distance from the centre, irregular opening hours, low-quality food, lack of trust in the Anganwadi worker). In such a situation, a stand-alone Behaviour Change Communication (BCC) message to the mother, asking her to send her child to the Anganwadi, may not work, but the community may be able to tackle some of the underlying issues. Community mobilisation is needed to create an enabling atmosphere for more appropriate child care practices and empowerment of the local community, especially families facing marginalisation or social exclusion. Community monitoring of ICDS can also help in ensuring greater regularity and quality, and in building a more functional relationship between the Anganwadi worker and the community.

The ASHA is one of the key agents in achieving active community participation and in promoting equity of access at the village level. Some of her roles have been discussed earlier, but it is important to recognise that the ASHA is also a significant link between the community and the government (particularly the health system). Other important tools of community mobilisation arising from the

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21 On this issue, see e.g. Garg (2006) and Sinha (2006).

National Rural Health Mission include the monthly “health and nutrition day” and the Village Health Committee (VHC). These committees are initiated by the ASHAs with the help of the Anganwadi worker, and they are also intended to link with existing community institutions such as Mahila Mandals, Youth Clubs, Self Help Groups (SHGs) and Panchayati Raj Institutions. VHCs can be an important agent of community mobilisation, e.g. by motivating parents to send their children to the Anganwadi, monitoring undernutrition levels in the village, drawing out an action plan, spreading awareness of health-related issues, helping Anganwadi Workers in ECCD and BCC tasks, helping remote hamlets to access ICDS services, and monitoring Anganwadis, among many other possible activities. They can also act as forums through which women become more aware of their rights and fight gender discrimination in health, nutrition and other fields. Other community-based groups and forums (such as Mahila Mandals, SHGs, Gram Sabhas and Youth Clubs) can play similar roles, in collaboration with ASHAs and Anganwadi workers. Adequate budgetary provision should be made for supporting such community mobilisation processes.

Another useful aspect of decentralisation would be district-specific planning. Different districts have different technical and administrative requirements. They need to tailor communication materials, training programmes and nutrition schemes to suit their specificities. District planning designs (and then fund allocations based on such plans) is an operational challenge - but the effort can be quite rewarding, and requires little additional resources. However, district level planning needs to proceed “bottom up”, based on village-level and Panchayat-level planning. Panchayat-level planning can be used as a mechanism for bringing the various aspects of ICDS together, as well as for achieving local convergence between ICDS, the ASHA programme and Sarva Shiksha Abhiyan. The plans should clearly outline the roles of different sectors in contributing towards the elimination of undernutrition and the provision of comprehensive child care.

### ***3.4.2 Developing Human Resources***

Human resource issues are critical to the success of ICDS. An effective human resource policy must be created for the same. To start with, Anganwadi workers should be recognised as regular, skilled workers and their concerns should be addressed, particularly those relating to work overload, inadequate remuneration, delayed salary payments and poor working conditions. Avenues must be made available for promotion, skill enhancement and accreditation. Anganwadi workers should not be recruited for non-ICDS duties and their official job description should be adhered to.

Urgent action is needed to address the shortage of ICDS staff at all levels. Women should be better represented among supervisors, CDPOs (Child Development Project Officers) and other ICDS staff above the Anganwadi level. Programme management structures should also be strengthened by inducting subject-matter specialists, especially women (e.g. for pre-school education, health and nutrition) at the District, State and Central levels. This could be facilitated by building linkages between local colleges of Home Science and Social Work and training institutions.

An essential element for securing better operational results is better capacity building. About 5 to 10 percent of expenses must be earmarked for capacity building of the Anganwadi workers and

other staff on a regular basis. Continued capacity building also requires the creation of adequate institutions for this purpose.

This involves re-examining the existing modes, means and sites of training and development of training content and material. The inadequacy of present arrangements is reflected in the fact that the Government of India allocated a sum of just Rs 87 crores in the last financial year for training activities, in a programme that has more than a million workers and helpers. Nearly a fourth of this money apparently remained unutilised.

Training, both initial (“pre-service”) as well as ongoing (“in-service”), is usually recognised as an important component of programme implementation. Unfortunately, the current training system appears to be quite divorced from field reality and practitioner experience. Most training institutions have neither any field sites nor directly run Anganwadi centres which could enable them to make the training more practice oriented. Ongoing field-based training is almost absent as most supervisors focus mainly on registers, attendance, salaries and numbers rather than processes.

One reason for the disjunct between training and field reality is that training curriculum, syllabus and material are usually centrally determined. This information is then transmitted down the chain to the Anganwadi worker who is expected to convert it into practice and improve child development indicators for the entire programme. Building more lively and effective training programmes, linked with ground realities, would require:

1. Building crucial linkages between training, programme implementation and review, and child development knowledge and practice.
2. Building technical and institutional capacity in the ICDS programme to develop into a learning system.

The following steps would be useful in this regard:

- Decentralised development of training curriculum, approaches and material (say, at the State or District level) based on national guidelines.
- Convergence of ICDS and NRHM training, not simply by training the respective staff together but also through joint development of the training modules.
- Allocating Anganwadi Training Centres (AWTCs) for capacity building at the District or Sub-District level.
- Recognition of pre-school education and nutrition counselling as essential components of training programmes.
- Developing a system for continuous field level support (for instance, identifying a relatively accessible Anganwadi and developing it as a local resource centre, where the supervisor/trainer can facilitate peer learning through monthly cluster-level meetings).
- Upgrading Mid Level Training Centres (MLTCs) and AWTCs, not only as training centres but also as local resource and research centres.
- Enabling MLTCs and AWTCs to directly run Anganwadis in their campus/vicinity.

### 3.4.3 Governance Reforms

The ICDS suffers from high levels of corruption and mis-management. It is essential to define standards and norms for access and quality of services and to monitor and support the programme to ensure that these standards are attained and sustained. Output and outcome indicators, and a reliable monitoring system, also need to be put in place so that the progress of ICDS in each district is known.

In addition, wide-ranging action is required to restore transparency and combat corruption in the entire system. All ICDS-related information should be in the public domain. The provisions of the Right to Information Act, including pro-active disclosure of essential information, should be implemented in letter and spirit in the context of ICDS. All agreements with private contractors (if any) and NGOs should be pro-actively disclosed and made available in convenient form for public scrutiny. All AWCs should be sign-posted and the details of ICDS entitlements and services should be painted on the walls of each Anganwadi. Social audits of ICDS should be conducted at regular intervals in Gram Sabhas and/or on “health and nutrition day”.

Effective indicators of good governance need to be developed for ICDS for the adequate evaluation of the scheme at every levels. Decentralisation, adequate space for public participation, greater attention to human resources and transparency are important steps towards building a responsive and accountable administration and these need to proceed apace with the greater devolution of funds for the programme.

## 4. Financial Requirements

Low budgetary allocations have been one of the key factors responsible for the limited impact of ICDS and related programmes so far. For instance, the current allocation for ICDS is only around one rupee per child per day (on average, for all children under six). This level of expenditure is utterly inadequate to ensure effective and universal programmes. Much higher allocations are needed for actually making a real dent on malnutrition, ill-health and gaps in psycho-social development.

Table 5 presents estimates of what is required for fair implementation of the framework proposed in this paper during the 11<sup>th</sup> Plan. The reference year for these estimates is the “terminal year” of an expansion phase, by the end of which (1) ICDS would reach universal coverage, and (2) substantial progress would have been made towards providing other support structures such as maternity entitlements, crèches and supplementary nutrition for adolescent girls. The terminal year of this expansion phase is not specified, but it would have to be, at any rate, within the 11<sup>th</sup> Plan.<sup>22</sup>

The estimates in the table below are based on the following assumptions:

1. **Number of Anganwadi Centres (AWCs):** This has been fixed at 14 lakh, in line with Supreme Court orders as well as with independent estimates of the number of AWCs required to implement improved norms for the creation and placement of Anganwadis. Of these, we assume that 10 percent (1.4 lakh) will have the status of “Anganwadi-cum-crèche” in the reference year (as a step towards wider outreach of crèche facilities).

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22 In this connection, it is also important to remember that the Supreme Court judgement of 13 December 2006 on ICDS directs the government to expand the number of Anganwadi centres to 14 lakhs by *December 2008*.

2. **Number of Children:** It is estimated that there are currently about 14 crore children under six in the country, of which 10 crore live in rural areas and 4 crore reside in urban areas. It is further estimated that about 1 crore children live in urban slums.<sup>23</sup> Allowance has to be made for the fact that not all parents may wish to enrol their children at the local Anganwadi. Assuming that about 75 percent of children in rural areas and urban slums are enrolled, the budget estimates are for 8 crore children under six. Of these 8 crore children, 10 percent (0.8 crore) would be enrolled in Anganwadi-cum-Crèche centres.
3. **Supplementary Nutrition Programme (SNP):** The SNP allocation here is similar to the enhanced norms that have been proposed to the Planning Commission for the Mid-Day Meal scheme<sup>24</sup>, i.e. Rs. 3 per child per day (in addition to 80 grams of grain).
4. **Second Anganwadi Worker:** As explained earlier, a second Anganwadi worker is essential to provide adequate care to children below the age of three years along with food supplements and quality pre-school education for those in the age group of 3-6 years. Thus, a provision has been made for implementation of the two-worker model in all AWCs.
5. **Remuneration of Anganwadi Workers and Helpers:** Our estimates assume that Central Government's contribution to the remuneration of anganwadi workers is raised from Rs. 1000 per month to Rs. 2000 per month (for four hours of skilled work per day for around 25 days a month). For Anganwadi helpers the corresponding contribution would be Rs.1000 per month.
6. **Anganwadi-cum-Crèche Centres:** These centres would require higher allocations, for both staff and food. The two Anganwadi workers and helper would have to be paid for full-time work, and children attending the crèche will have to be given adequate food. Thus, we have made an allowance for higher remuneration of Anganwadi workers and helpers at Anganwadi-cum-crèche centres (Rs 3,000 and Rs 1,500 per month, respectively), and doubled the provision for supplementary nutrition.
7. **Maternity Entitlements:** For maternity entitlements, we propose a national scheme on the lines of the "Dr. Muthulakshmi Reddy Maternity Benefit Scheme" in Tamil Nadu. This involves cash support of Rs 1,000 per month for six months for care during pregnancy and after delivery. We recommend that, as a first step towards eventual universal coverage of maternity entitlements, 25 percent coverage should be achieved in the reference year. Other schemes would also need to be developed to cover the range of circumstances of women working in the informal sector.

Under these assumptions, the proposed plan of action would cost around Rs 33,000 crores (at 2006-7 prices) in the reference year, including "recurrent costs" of Rs 30,000 crores per year. If the Indian economy grows at 8 percent per year on average during the 11<sup>th</sup> Plan, this financial requirement will represent about *one half of one percent* of India's GDP five years from now. This is a very reasonable price to pay to protect 14 crore children from hunger, ill health and related deprivations.

<sup>23</sup> Government of India (2007), page 1; based on 2006 Population Projections from Census data.

<sup>24</sup> Sundaram (2007).



## Financial Requirements

(For terminal year of the ICDS “universalisation” phase – see text)

<b>ICDS: UNIVERSALISATION WITH QUALITY</b>				
<b>Assumptions</b>	<b>No.</b>			
<b>Total under-6 children covered</b>	<b>8 Crores</b>			
<b>Children covered by AWC cum Crèches</b>	<b>80 lakh</b>			
<b>Pregnant, lactating women covered</b>	<b>1 Crore</b>			
<b>Total Anganwadi centres (AWCs)</b>	<b>14 Lakh</b>			
<b>Anganwadi centres also working as Crèches (10% of total centres)</b>	<b>1.4 Lakh</b>			
<b>Anganwadi buildings to be built and equipped per year</b>	<b>2 Lakh</b>			

<b>Budget Required (Rs. Crores)</b>		<b>No.</b>	<b>Rate (Rs.)</b>	<b>Frequency of Cost per Year</b>	<b>Amount (Rs. Crores)</b>
<b>Recurring Costs</b>					
<b>1</b>	<b>Supplementary Nutrition</b>				
1.1	SNP children (@ Rs3/day for 300 days/yr)	72000000	3	300	6480
1.2	SNP pregnant/lactating women (@ Rs 3/ day for 300 days/yr)	10000000	3	300	900
1.3	SNP for children in AWC cum Crèches (@ Rs.6/day for 300 days/yr)	8000000	6	300	1440
1.4	Rice/Wheat (80 gram per child per day)	80000000	0.8	300	1920
<b>2</b>	<b>Education/Health Kits</b>				
2.1	Pre-School Education Kits for AW Centres (Rs. 1000 per AWC per year)	1400000	1000	1	140
2.2	Medicine Kits for AW centres (Rs. 1000 per AWC per year)	1400000	1000	1	140
2.3	IEC Materials (Rs 25000 per project per year)	6000	25000	1	15
<b>3</b>	<b>Untied Grant to AWCs (Rs 5,000 per AWC per year)</b>	<b>1400000</b>	<b>5000</b>	<b>1</b>	<b>700</b>
<b>4</b>	<b>AW Centre Rent (till such time that centres don't have their own buildings)</b>				
4.1	Rural	600000	200	12	144
4.2	Urban	200000	1000	12	240

5	<b>Honorarium for AWWs/Helper</b>				
5.1	AWW 1 honorarium (at Rs.2000 per month)	1260000	2000	12	3024
5.2	AWW 2 honorarium (at Rs.2000 per month)	1260000	2000	12	3024
5.3	AW Helper/Cook (at Rs.1000 per month)	1260000	1000	12	1512
5.4	Workers in AW cum Crèches (3 full time workers at Rs.3000, Rs.3000 and Rs1500)	140000	7500	12	1260
6	<b>Training</b>				
6.1	Existing Anganwadi Workers (6 days of training @ Rs.150/day)	750000	150	6	67.5
6.2	New AWW1 (10 days of training @ Rs.150/day)	650000	150	10	97.5
6.3	AWW2 (10 days of training @ Rs.150/day)	1400000	150	10	210
6.3	CDPOs (8 days of training per year at Rs. 300 per day)	6000	300	8	1.44
6.4	District POs (8 days of Training at Rs. 300 per day)	600	300	8	0.14
6.5	State Officials (3 officials per state, 8 days of training at Rs.600 per day)	90	600	8	0.04
7	<b>Salaries and Office Expenses</b>				
7.1	State Office	30	1200000	1	3.6
7.2	District Office	600	1000000	1	60
7.3	Project/Block Office	6000	700000	1	420
8	<b>Contingencies</b>				
8.1	Project	6000	30000	1	18
8.2	District	600	60000	1	3.6
8.3	State	30	100000	1	0.3
9	<b>Fuel</b>				
9.1	Project	6000	100000	1	60
9.2	District	600	100000	1	6
9.3	State	30	100000	1	0.3
	<b>A. SUB-TOTAL (RECURRING)</b>				<b>21887</b>
	<b>Non-Recurring Costs (Capital Expenditure)</b>				
10	<b>Equipment and Furniture for AW centres</b>	200000	5000	1	100

11	Anganwadi Buildings (@ Rs.1.30 lakh materials cost per Building with unskilled labour component of Rs. 40000 from NREGA) and assuming 200000 centre buildings will be constructed per year	200000	130000	1	2600
	<b>B. SUB-TOTAL (NON-RECURRING)</b>				<b>2700</b>
	C. TOTAL (ICDS)				24587
	<b>Maternity Benefits</b>				
	(Rs.1000 per month for 6 months, for 65 lakh women [25% of all pregnant women] to begin with – see text)	6500000	1000	6	3900
	<b>SNP for Adolescent Girls</b>				
	Covering 5 Crore adolescent girls (at Rs.3 per day for 300 days)	50000000	3	300	4500
	<b>D. GRAND TOTAL</b>				<b>32987</b>
	<b>Components from Other Programmes</b>				
	<b>NRHM</b>				
	ASHA incentives (Rs.100 per family counselled (4 neo-natal visits) assuming 1 Crore families will get counselling per Year)	10000000	100	1	100
	<b>NREGA</b>				
	Labour Component of AW Building Construction (assuming 2 lakh buildings will be constructed per year)	200000	40000	1	800

## 5. Summary of Key Recommendations

In this paper we have tried to present a broad framework of action for “children under six” in the 11<sup>th</sup> Plan. Before concluding it may be useful to summarise some of the key elements of this framework:

### General Principles

**Rights approach:** This framework recognises that child care, healthcare, nutrition and development are basic rights of all Indian children.

**Age-specific interventions:** Attention has to be paid to the varying requirements of different age groups (specifically, 0-6 months, 6 months to 3 years, and 3-6 years), and to the need for corresponding interventions.

**Three core interventions:** These interventions involve the integration of three related systems, focusing respectively on: (i) food and nutrition; (ii) health services; and (iii) child care.

**Role of ICDS:** Many of these interventions can be taken care of through the Integrated Child Development Services (ICDS), provided its initial vision is revived.

**Complementary strategies:** However, other institutional arrangements are also required, including (i) maternity entitlements; (ii) crèches and child care arrangements; and (iii) institutionalised support for “infant and young child feeding” (especially breastfeeding).

**Convergence:** Effective strategies for children under six also require active “convergence” between core programmes, especially ICDS, the National Rural Health Mission (NRHM) and Sarva Shiksha Abhiyan (SSA).

**Decentralisation:** A decentralised approach is required, fostering participatory planning, community ownership, responsiveness to local circumstances, and the involvement of Panchayati Raj Institutions.

**Community Action:** Various forms of community action need to be promoted. These include monitoring and supporting the local Anganwadi, selection and evaluation of Anganwadi workers, participatory planning, use of untied grants, etc. This process should be adequately planned, budgeted for and institutionalised. The ASHA needs to be empowered to play the critical facilitation role between the communities, Panchayati Raj Institutions and the programme.

**Capacity Building:** Major investments in capacity building and training are required at all levels, all the more so as early childhood care and development (ECCD) is poorly understood. Programmes of such scale and complexity as ICDS cannot succeed without extensive investments in improving management skills and practices.

**Human Resources:** Anganwadi workers should be adequately remunerated and they should be recognised as regular skilled workers. A human resource policy needs to be put in place for anganwadi workers.

**Administrative Reforms:** Capacity building and decentralisation are essential, but not sufficient conditions of improved governance. There needs to be a central mechanism that sets standards, maintains quality, safeguards equity concerns, redresses uneven development and allocates (and accounts for) resources in a transparent and equitable manner. This would require improved institutional frameworks, improved workforce management policies and professionalisation of management. Accountability at senior levels of administration and governance needs to be measured through appropriate mechanisms, subjected to public scrutiny.

**Overseeing Mechanism:** A high-level overseeing mechanism (e.g. empowered steering committee along the lines of the NRHM) should be created to ensure convergence and accountability in the range of interventions concerned with child nutrition.

## **ICDS: Key Recommendations**

**Universalisation with Quality:** “Universalisation with quality” should be the overarching goal for ICDS in the 11<sup>th</sup> Plan. This would include raising the number of Anganwadis to a minimum of 14

lakhs (with priority to disadvantaged groups), extending all ICDS services to all children under six and all eligible women, and improving the quality of services.

**Focus on Children Under Three:** ICDS should give much greater priority to children under the age of three years. This would include providing adequate incentives to ASHAs for the relevant services (including home-based neonatal care, breastfeeding and nutrition support), provision of nutritious take-home rations (THR), better training on issues related to children under three, and the adoption of the “two-worker” model.

**Two-worker model:** Adequate care of children under three combined with effective pre-school education for children aged 3-6 years cannot be achieved without the involvement of two Anganwadi workers (along with the Anganwadi helper).

**Anganwadi-cum-crèches:** Crèches ensure that adequate care and development opportunities are available to children whose mothers go for work outside the home (especially if there are no adult carers at home). Crèches are required for children, in both the 0-3 and the 3-6 age groups, for the entire day. To begin with, we recommend that 10 percent of all Anganwadis be converted to Anganwadi-cum-crèches. This would mean that these centres are open full time, both the workers are present all day and are given additional training on running a crèche.

**Pre-school education:** For children aged 3-6 years, pre-school education should be the primary focus of ICDS activities. Aside from adoption of the two-worker model, this requires appropriate training, infrastructure, equipment, supervision and support.

**Nutrition programmes:** For children in the age group of 3-6 years, the Supplementary Nutrition Programme (SNP) should be based on hot, cooked, nutritious meals, along the same lines (and with the same financial norms) as the “Mid-Day Meal” scheme in primary schools (with a minimum financial norm of Rs. 3 per child per day in addition to grains). For younger children, it should be based on carefully-designed “Take-Home Rations” (THR), combined with nutrition counselling.

### Other Recommendations

**Maternity Entitlements:** A national scheme for maternity entitlements in the informal sector, on the lines of the “Dr. Muthulakshmi Reddy Maternity Benefit Scheme” in Tamil Nadu (including cash support of Rs 1,000 per month for six months for care during pregnancy and after delivery), should be introduced. A National Task Force should be created to further investigate the modalities of universalising maternity entitlements to all working women. All existing laws – MBA, ESI Act, all Labour Laws, proposed Unorganised Workers Social Security Act etc. should be brought in line with recommended principles.

**Crèches:** Apart from the creation of Anganwadi-cum-crèches on a pilot basis (in 10 percent of all Anganwadis), there should also be a major expansion and improvement of crèche facilities under the Rajiv Gandhi National Crèche Scheme. The provision for a crèche at all NREGA worksites, as provided for under the Act must be implemented so that women can avail of employment opportunities as well as have a safe place to leave infants where their basic needs are addressed.

**Infant and Young Child Feeding:** Infant and young child feeding counselling and support should be recognised as one of the core “services” both in ICDS and NRHM, with a clear budget head. This should include skilled counselling and support (incentive based) for initiating breastfeeding within the first hour of birth, continued counselling and support in the form of home visits for maintaining exclusive breastfeeding for six months, and counselling and support for continuing breastfeeding for two years or more, along with adequate and appropriate complementary feeding.

**Financial Commitments:** Fair implementation of the above recommendations would require a recurrent budget of around Rs 30,000 crores at 2006-7 prices, to be reached in a phased manner within the 11<sup>th</sup> Plan. By the end of the 11<sup>th</sup> Plan, this is likely to represent just over *one half of one percent* of India’s Gross Domestic Product (assuming a growth rate of 8 percent per year). This is quite reasonable, considering that children under six account for 15 percent of the population, and represent the future of the country.

Children under six have been grossly neglected for a long time in Indian planning, and the country is paying a heavy price for this today. The 11<sup>th</sup> Plan presents an opportunity to correct this bias and give children their due. However, this cannot be done through marginal expansion or superficial “reform” of existing child development programmes. It requires bold initiative, new strategies and – not least – a massive increase in financial allocations for children under six.

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**PART SEVEN**

**AGRICULTURE**

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# Budget Priorities for Agricultural Sector: Policy Rhetoric and Harsh Reality

*Nilachala Acharya\**

**A**griculture has been the mainstay of Indian economy providing gainful employment to 52 percent of the total workforce<sup>1</sup>. Of late, amid economic reforms and trade liberalisation, considerable changes have been noticed in the agricultural sector. The reform process introduced in the early 1990s failed to recognise the crucial importance of this sector due to which it has faced serious difficulties. These difficulties manifest in various forms like loss of livelihood, consequent decrease in purchasing power of the rural masses and a steady increase in input prices crippling the agricultural producers. It is a well established argument that growth of various sectors of the economy (like industry and services sector) depends upon growth of the agricultural sector in our country. This sector has vast potential for backward and forward linkages.

Besides, the worsening condition of small and marginal farmers in the post-liberalisation phase has become a matter of serious concern among the policymakers and the development thinkers. It has been realised that the grievances of the small and marginal farmers have remained largely unaddressed in the policy circle. The so called 'jobless' growth during late nineties and early twentieth century and the 'Shining India' campaign through the process of trade liberalisation, have ended up with economic slowdown. The point to note here, that during the so called period of economic growth, the majority of the rural population who were dependent on agriculture and allied activities have gained a little, and present crisis resulted with overburdened dependency further due to loss of job. Taking all these factors into consideration, the present article attempts to document the current scenario of agrarian crisis in the country. In addition, an attempt has also been made to trace the priorities accorded to the agricultural sector in terms of budgetary allocations and spending. Besides, the National Common Minimum Programme (NCMP) set forth by the UPA (United Progressive Alliance) Government which promised to provide the best possible alternatives to the challenges facing agrarian sector of the country during 2004 has been tracked.

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1 Economic Survey, 2007-08, Government of India

## I. An Overview of Indian Agriculture

Agriculture plays an important role in the rural economy of India. As is mentioned above, it provides gainful employment as well as raw materials for a large number of industries in the country. Thus, agriculture occupies a key position in India's economy both in terms of employment and its contribution to the national income. Due to the complete failure of land reform programmes in turn resulting in a distorted land holding pattern, the crisis in this sector during post-liberalisation aggravated and outcome from this sector becomes abysmal compared to other sectors. The gravity of agrarian crisis is reflected in most of the macro economic variables of the economy.

**Table-1: Percentage Distribution of Households and Area Owned over Five Broad Classes in Rural India during 2003**

% Distribution of Households				
Marginal $\leq 1$ Ha	Small $>1 \leq 2$	Semi-Medium $>2 \leq 4$	Medium $>4 \leq 10$	Large $>10$
79.6	10.8	6.00	3.00	0.60
% Distribution of Area Owned				
Marginal $\leq 1$ Ha	Small $>1 \leq 2$	Semi-Medium $>2 \leq 4$	Medium $>4 \leq 10$	Large $>10$
23.05	20.38	21.98	23.08	11.55

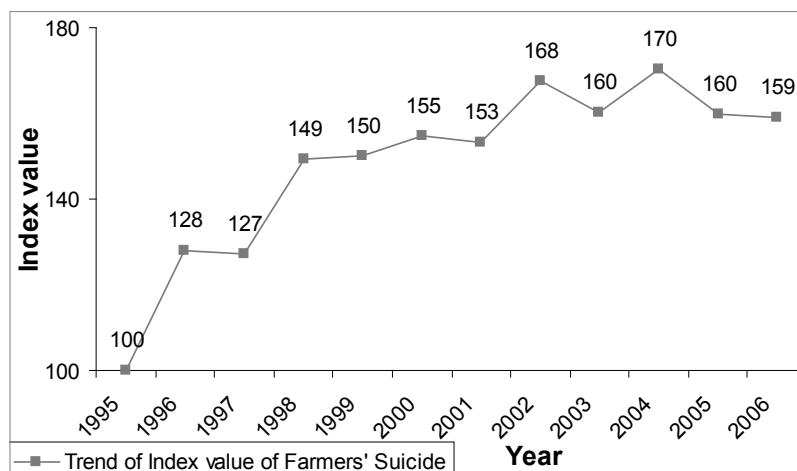
Source: NSSO Report No 491 (59/18.1/4); Household Ownership Holdings in India, 2003 P-19

Data in table-1 clearly shows that semi-medium, medium and large households who are in the top 10 percent bracket, own around 57 percent of land. Compared to this, 90 percent of total rural households owned around 43 percent of total land during 2003. The share of marginal holdings (area less than or equal to 1.000 ha) in the rural areas was 79.6 percent in the year 2003 compared to 72 percent in 1992 and 67 percent in 1982. And about 10 percent of the rural households in India were reported to be landless, i.e. owning either less than 0.002 hectares of land<sup>2</sup> or nothing at all.

Ever rising farmers' suicide rates in India is a glaring symptom of the acute crisis prevalent in the agricultural sector. Farmers' suicides have been on an increase since 1995. (See Figure 1) Indebtedness and high interest rates on farm loans, particularly from the non-institutional sources are the main reasons behind this. It has been found that out of 89.35 million farmer households, 43.42 million i.e. 48.6 percent were reported to be in debt. In terms of the principal source of income, 57 percent of farmer households were cultivators. Among them 48 percent were in debt. The most important source of loan (in terms of percentage of outstanding loan amount) was banks, contributing 36 percent of the loans given, followed by moneylenders who contributed 26 percent<sup>3</sup>. The inability of the farmers to repay their loans compels them to commit suicide.

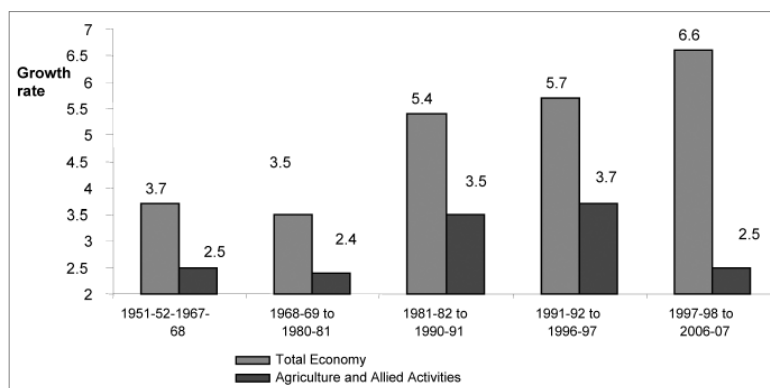
2 Household Ownership Holdings in India, 2003; Report No 491 (59/18.1/4) National Sample Survey (NSS), Ministry of Statistics and Programme Implementation (MOSPI), government of India (GoI), 2006.

3 Situation Assessment Survey of Farmers; Indebtedness of Farmer Households; NSS Report No. 498 (59/33/1), MOSPI, GoI, 2005

**Figure 1: Index of Farmers Suicide in India since 1995**

Source: Mohanty, S.S (2008); The People's Verdict, 4<sup>th</sup> Civil Society Review of the NCMP, P-24,

There has been a consistent decline in growth of the agricultural sector since 1990-91 and growth of this sector has always remained below the growth rate of the non-agricultural sector. From 1980-81 to 1990-91, the annual average growth rate of agriculture and allied activities was 3.5 percent, which got reduced to 2.5 percent during the period 1997-98 to 2006-07. Increased gap between the annual average growth rates of the agricultural sector and that of the economy as a whole has been observed since 1951-52. This gap only widened during the period 1997-98 to 2006-07 (Figure-2).

**Figure 2: Average GDP Growth Rates of Agriculture Sector and Economy as a whole at 1999-00 prices (in percent)**

Source: Economic Survey, 2007-08, Government of India

The contribution of agriculture to Gross Domestic Product (GDP) has also declined over the years. Contribution of agriculture to GDP declined from 22.9 percent in 1999-00 to 16.7 percent in 2006-07 (at current prices) (Table-2).

**Table-2: Contribution of Agriculture to GDP at Factor Cost**

Year	Percentage Share of Agriculture in GDP	
	At Current Prices	At 1999-00 Prices
1999-00	22.9	22.9
2000-01	21.2	21.8
2001-02	21.1	22.0
2002-03	18.8	19.4
2003-04	19.0	19.9
2004-05	17.4	18.5
2005-06	17.0	17.9
2006-07	16.7	17.0

**Source:** Central Statistical Organisation (CSO), New Delhi, GoI

The production of major agricultural crops in India since 1951 indicates a dismal progress vis-à-vis the needs of the rising population. When compared to the situation in 1981, availability of foodgrains in 2007 is much worse which shows the non-seriousness of the government in raising foodgrains to feed millions of population in India. Yet another dismal picture is revealed if one looks at net availability of per capita foodgrains per year in India. During 1995, net availability per capita foodgrains per annum in India was 180.8 kgs which got reduced to 180.4 kg in 2002. This further declined to 154.2 kgs during 2005. Within the period 2002 to 2005, per capita availability of foodgrains sharply declined to around 26 kg per annum (Table-3).

**Table 3: Net Availability of Foodgrains Since 1951**

Years	Net Availability of Foodgrains (Per Capita Per Annum) (in Kg)	Net Availability of Foodgrains (Grams Per Capita Per Day)
1951	144.1	394.9
1956	157.6	430.7
1961	171.1	468.7
1966	149.0	408.1
1971	171.1	468.8
1976	155.3	424.3
1981	166.0	454.8
1985	165.5	453.4
1990	172.5	472.6
1995	180.8	495.5
2000	165.9	416.2
2001	151.9	494.1
2002	180.4	437.6

2003	159.7	462.7
2004	168.9	422.4
2005	154.2	445.3
2006	162.5	439.3
2007 (P)	160.4	394.9

**Note:** 1. The net availability of foodgrains is estimated to be Gross Production (-) seed, feed & wastage, (-) exports (+) imports, (+/-) change in stocks.

2. The net availability of foodgrains divided by the population estimates for a particular year indicate per capita availability of foodgrains in terms of kg/year. Net availability, thus worked out further divided by the number of days in a year i.e., 365 days gives us net availability of foodgrains in terms of grams / day

3. Figures in respect of per capita net availability given above are not strictly representative of actual level of consumption in the country especially as they do not take in to account any change in stocks in possession of traders, producers and consumers.

4. For calculation of per capita net availability the figures of net imports from 1981 to 1994 are based on imports and exports on Government of India account only. Net imports from 1995 onwards are the total exports and imports (on Government as well as private accounts)

5. Foodgrains includes rice, wheat, other cereals and all pulses P- Provisional

**Source:** Agriculture Statistics of India, 2008, Gol

Credit flow to the agricultural sector is an indispensable input for the growth of this sector. Time and again, it has been argued that strengthening the institutional flow of credit can alleviate the present misery of this sector. It has also been said that the government has to ensure cheap and timely flow of credit to the farmers to make agriculture a viable occupation and to retain confidence of the farming community in this sector. A look at the annual growth rate of institutional flow of credit to the agricultural sector since 2002-03 indicates a disappointing situation. During 2006-07, the growth rate was only around 13 percent compared to previous two year's growth of around 44 percent. However, the last year's growth is around 23 percent and meets the norms of NCMP. (Table-4)

**Table-4: Institutional Credit Flow to Agricultural Sector**

(Rs. in Crore)

Year	Total Flow of Credit to Agriculture sector	Growth rate
1998-99	36860	----
1999-00	46268	25.52
2000-01	52827	14.18
2001-02	62045	17.45
2002-03	69560	12.11
2003-04	86981	25.04
2004-05	125309	44.06
2005-06	180486	44.03
2006-07	203297	12.64
2007-08 **	250000	22.97

**Source:** Economic Survey, 2007-08, Government of India.

**Note:** \*\* taken from Key Features of Interim Budget 2009-10.

The relative neglect of the agricultural sector during the past decade is testified by its steadily declining share in the country's capital formation. Since 1999-00, the share of agriculture in gross capital formation (at 1999 prices) has remained in single digits, barring the year 2001-02. This explains the slackening growth momentum during the past decade (Table-5).

**Table-5: Gross Capital Formation (GCF) in Agriculture (at 1999-00 Prices)**

Year	GCF Total	GCF in Agriculture	Share of Agriculture in GCF (%)	GDP Agriculture	GCF/GDP in Agriculture <sup>4</sup> (%)
1999-00	506244	43473	8.59	409660	10.61
2000-01	488658	39027	7.99	407176	9.58
2001-02	474448	48215	10.16	433475	11.12
2002-03	555287	46823	8.43	398206	11.76
2003-04	665625	44833	6.74	441360	10.16
2004-05	795642	49108	6.17	441183	11.13
2005-06	950102	54905	5.78	468013	11.73
2006-07	1053323	60762	5.77	485937	12.50

Source: Economic Survey, 2007-08, Government of India

Both public and private investment in agriculture and allied sectors during the initial four years of the Tenth Five Year Plan was 2.3 percent of GDP. Out of this, public investment was only 0.4 percent and the rest was by the private players. It has been pointed out that reduction in public investment in agriculture is primarily responsible for the decline in private investment in this sector. During the initial year of the Tenth Five Year Plan i.e. 2002-03, private investment in agriculture was 2.1 percent of GDP which reduced to 1.8 percent in 2005-06 because of the fall in public investment in this sector during the same period. As there is a strong positive correlation between public and private investment in agriculture, increased private investment will follow only if there is an increase in public investment (Table-6).

**Table-6: Public and Private Investment in Agriculture and Allied Sectors and its Share in Total GDP at Market Prices (1999-00 Prices)**

Year	Share of investment from GDP (in %)		
	Public	Private	Total
2002-03	0.4	2.1	2.5
2003-04	0.4	1.8	2.2
2004-05	0.4	1.8	2.2

<sup>4</sup> It is pertinent to note here that the rising trend in GCF in agriculture as percentage of agricultural GDP is, in some sense misleading. The declining share of agriculture in the GDP is accountable for such a trend. Trends in the share of agriculture GCF in overall GCF provide us the genuine picture of the situation.

2005-06	0.5	1.8	2.3
2002-03 to 2005-06	0.4	1.9	2.3

Source : Central Statistical Organisation, New Delhi, GOI

During 1990-91, share of imports in the agricultural commodities in total national imports constituted 2.79 percent and that of export was 18.49 percent. In fact in the subsequent years, import of agricultural commodities increased sharply (Table-7)

**Table 7: India's Imports/Exports of Agricultural Commodities vis-à-vis Total National Imports/ Exports during 1990-91 to 2007-08**

Year	Proportion of Agriculture Imports to Total National Imports	Proportion of Agriculture Exports to Total National Exports
1990-91	2.79	18.49
1995-96	4.80	19.18
2003-04	6.12	12.70
2004-05	4.55	11.08
2005-06	3.26	10.78
2006-07	3.53	10.92
2007-08 (P)	3.09	12.15

Note: P-Provisional

Source: DGCI&S, Ministry of Commerce, Kolkata.

**Table 8: Access to Extension Services (% of Farmer Households) during 2003\***

Category of Farmers	Marginal	Small	Marginal & Small	Medium & Large	Total
Access to extension service workers as a source of information on modern technology for farming	4.1	8.1	4.9	10.1	5.7
Access to any Government agencies as a source of information on modern technology	5.4	8.9	6.1	12.5	7.2

Note: \* All India includes the small states Goa, Delhi, Pondicherry, & UTs

Source: NSS Data on 59<sup>th</sup> round, Situation Assessment Survey of Farmers 2003

Agricultural extension services in India largely remained unaddressed during the course of time which mostly reflected in abysmal growth of the sector. Looking at the percentage of farmers across farm size, access to extension service workers as a source of information with regard to use of modern technology is remained below well 6 percent and for medium and large category of farmers this is even less than 5 percent. Similarly, access to any government agencies as a source of information on modern technology hovers around 7 percent. (Table-8)



**Table 9: All-India Consumption of Fertilisers in Terms of Nutrients (N, P & K) Since 1990-91**

(in '000 Tonnes)

Year	N	P	K	Total
1990-91	7997.2	3221.0	1328.0	12546.2
1991-92	8046.3	3321.2	1360.5	12728.0
1996-97	10301.8	2976.8	1029.6	14308.1
2000-01	10920.2	4214.6	1567.5	16702.3
2001-02	11310.2	4382.4	1667.1	17359.7
2002-03	10474.1	4018.8	1601.2	16094.1
2003-04	11077.0	4124.3	1597.9	16799.1
2004-05	11713.9	4623.8	2060.6	18398.3
2005-06	12723.3	5203.7	2413.3	20340.3
2006-07	13772.9	5543.3	2334.8	21651.0

Source: Agriculture Statistics of India, 2008, GoI

From table 9 above it is clear that what ever increase in productivity and hence production of agricultural output seen in India since 1990 in absolute term is due to increased consumption of fertiliser. Sharp increase in consumption of fertiliser seen during the period 1990-91 to 2001-02 and with a slight deviation during 2002-03 and 2003-04, there has been an increasing trend again. During 1990-91, consumption of fertiliser in agriculture was 125 lakh tonnes and this has increase to 216 lakh tones during 2006-07. Hence, productivity of agriculture is heavily dependent on use of chemical fertilisers which ultimately deteriorates the soil health. (Table-9)

**Table 10: Share of Consumption of Electricity for Agricultural Purposes (in GWh)**

Year	As a Proportion of Total Consumption
1991-92	28.20
1996-97	29.98
2001-02	25.33
2002-03	24.88
2003-04	24.13
2004-05	22.93
2005-06	21.92
2006-07*	21.73

Note: \* Provisional GWh: Giga Watt-hour

Source: Central Electricity Authority, New Delhi

Contribution of agriculture to GDP has been on a decline and is partly contributed through the declining trend of consumption of electricity. Since 1991-92, the share of consumption of electricity for agriculture purpose shows a declining trend. During 1991-92, the share of electricity consumption for agriculture out of total electricity consumption was 28.2 GWh, and this has got reduced to 21.73 GWh in 2006-07.

## **II. Promises Made in the NCMP, Strategies Adopted and Plan Schemes Introduced in this Sector**

UPA Government held promises to address burgeoning unemployment and agrarian distress, but in practice what it has performed is no way different from the neo-liberal policy approaches of the previous National Democratic Alliance (NDA) regime. An attempt has been made in this section to track such promises made and other plans and programmes introduced during the course of time.

NCMP which was declared in May 2004, having the following promises:

- Rural credit will be doubled in the next three years.
- All existing irrigation projects will be completed within three-four years.
- All dues of farmers will be cleared at the earliest.
- Public investment in agricultural research and extension, rural infrastructure and irrigation will be stepped up in a significant manner at the earliest.
- Crop and livestock insurance schemes will be streamlined to make them more effective.
- Controls that depress farm incomes will be systematically removed.
- All possible efforts will be made to maintain terms of trade in favour of agriculture.

Given these above promises, the major policy announced during the UPA regime are as follows.

### **Agriculture Debt Waiver and Debt Relief Scheme**

The most significant announcement of the union budget 2008-09 was the debt-waiver scheme for farmers. The finance minister announced a debt waiver scheme worth Rs. 60,000 crore, under which all agricultural loans disbursed by scheduled commercial banks, regional rural banks and cooperative credit institutions up to March 31, 2007 and overdue as on December 31, 2007 which remained unpaid up to February 29, 2008, would be covered. For marginal farmers (with holding up to 1 hectare) and small farmers (with holdings between 1 to 2 hectares), there would be a complete waiver of all loans that were overdue as on December 31, 2007 and which remained unpaid until February 29, 2008. For other farmers, there would be a One Time Settlement (OTS) scheme for all loans that were overdue as on December 31, 2007 and which remained unpaid until February 29, 2008. Under the OTS, a rebate of 25 percent would be given against payment of the balance of 75 percent.

The scheme was initially expected to benefit 3 crore small and marginal farmers with loans worth of Rs. 50,000 crore and another 1 crore farmers from a 25 percent rebate against the One Time Settlement of loans, which would cost an additional Rs. 10,000 crore. The scheme has now been expanded and it is estimated that it would waive farm loans to the extent of Rs. 71,680 crore, nearly 20 percent more than the amount initially provisioned, with a plan to cover around 4.2 crore beneficiaries. As it turns out, the number of small and marginal farmers covered is expected to be 3.7 crore, while the number of other farmers is estimated to be about 60 lakh. This effort of the Government to minimise the stress of farmers is indeed a welcome step.

### **National Policy for Farmers, 2007**

National Policy for Farmers, 2007, has been approved by the Government of India taking into account the recommendations of the National Commission on Farmers after consulting the State governments. The policy came up with a wide range of coverage on a variety of issues related to farming communities.

### **National Horticulture Mission**

The Government of India launched a Centrally Sponsored Scheme (CSS) called National Horticulture Mission (NHM) in May, 2005 for holistic development of this sector ensuring horizontal and vertical linkages with the active participation of all the stake holders. The main objectives of the mission are to enhance horticulture production through area-based regionally differentiated strategies, improve nutritional security and income support to farm households, establish convergence and synergy among ongoing programmes for horticulture development and promote, develop and disseminate technologies.

### **Micro Irrigation Scheme**

A Centrally Sponsored Scheme was launched in March, 2006 to promote water use efficiency by adopting drip and sprinkler irrigation. Up to March, 2007, an expenditure of Rs. 366.4 crore was incurred and an area of 3.4 lakh hectares under drip and sprinkler irrigation system was covered. Allocation of funds during 2007-08 was Rs. 550 crore for covering 3.6 lakh hectares Rs. 266.7 crore of the allocated amounts was released till the end of January 2008.

### **National Bamboo Mission**

Recognising the potential of bamboo in terms of employment generation and providing sustainable livelihoods to the farmers, National Bamboo Mission, a Centrally Sponsored Scheme approved by the government in October, 2006. The basic thrust of the scheme is to promote bamboo sector through an area based regionally differentiated strategies to generate employment opportunities for skilled and unskilled persons, especially unemployed youths.

### **Integrated Scheme of Oilseeds, Pulses, Oilpalm and Maize (ISOPOM)**

ISOPOM a Centrally Sponsored Scheme is being implemented since April, 2004, in order to provide flexibility to the states in implementation, based on regionally differentiated approach in promoting

crop diversification and to provide focused approach to the programmes. The scheme was introduced by merging the four erstwhile schemes of Oilseeds Production Programme (OPP), National Pulses Development Project (NPDP), Oilplam Development (OPDP) and Accelerated Maize Development Programme (AMDP).

### **Agricultural Technology Management Agency (ATMA)**

ATMA, a centrally sponsored scheme, which was launched in March, 2005, was introduced for technology dissemination particularly at district level and below. The main objective of this programme is to support to state extension programmes for extension reforms to make extension system farmer driven and farmer accountable.

Besides, major proposals were also brought in the Eleventh Five Year Plan period.

### **Major Proposals in the Eleventh Five Year Plan**

In the context of the misery that this sector is suffering from, in terms of slowdown in growth rate, widening economic disparities between irrigated and rain-fed areas, increased vulnerability to world commodity price volatility following trade liberalisation, uneven and slow development of technology, inefficient use of available technology and inputs, lack of adequate incentives and appropriate governance institutions, degradation of natural resource base, rapid and widespread decline in groundwater table, increased non-agricultural demand for land and water, aggravation in social distress in the form of upsurge in farmers' suicide etc, the Eleventh Five Year Plan sets strategy to accelerate sustained agricultural growth at 4 percent per annum. For achieving annual growth rate of 4 percent the actions proposed during the Eleventh Five Year Plan period are as follows:

- Bringing technology to the farmers;
- Improving efficiency of investments, increasing systems support and rationalising subsidies;
- Diversifying agriculture, while protecting food security concerns;
- Fostering inclusiveness through a group approach by which the poor, especially women, will get better access to land, credit and skills;
- Priority in agriculture research should be given in terms of increased investment;
- Research priorities have to shift towards evolving cropping systems suited to various agro-climatic conditions and towards enhancing the yield potential in rain fed areas through development of drought and pest resistant varieties;
- The Indian Council for Agriculture Research (ICAR) needs to be restructured with emphasis on greater accountability;
- Adequate emphasis will also be given to better ground water utilisation; and
- Investment in irrigation and irrigation delivery systems.

### **Continuation of Accelerated Irrigation Benefit Programme (AIBP)**

The central government continued the AIBP which was introduced in 1996-97 for extending assistance to complete irrigation schemes which had remained incomplete in the Tenth Five Year Plan. Since its inception, the programme was basically entirely a loan from the centre but in 2004-05 a grant component was added in the programme. Further, in December 2006, a revised guideline was prepared to provide 90 percent of the project cost as grant to special category states, Drought Prone Area Programme (DPAP)/tribal areas and Kalahandi, Bolangir and Koraput (KBK) districts of Orissa.

### **National Project for Repair, Renovation and Restoration of Water Bodies**

To cover a larger area under irrigation, the government sanctioned this project in January, 2005 with an estimated cost of Rs. 300 crore to be shared between the Centre and States in 3:1 ratio. Central share of Rs. 179.3 crore was released to the states November 30, 2007, covering 1098 water bodies.

### **Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds**

The scheme is in operation since 2005-06, essentially aims to ensure production and multiplication of high yielding certified/quality seeds of all crops in order to make sufficient quantities of seeds available to farmers in time and at an affordable price.

### **National Food Security Mission (NFSM)**

Government of India launched this centrally sponsored scheme, **National Food Security Mission** in August 2007. The major objective of this scheme is to increase production and productivity of wheat, rice and pulses by 10, 8 and 2 million tones, respectively by the end of Eleventh Five Year Plan period on a sustainable basis so as to ensure food security for the country.

### ***Rashtriya Krishi Vikas Yojana (RKVY)***

In order to realise 4 percent annual growth in the agriculture sector during the Eleventh Five Year Plan, Government of India approved this programme in August, 2007, with an allocation of Rs. 25,000 crore. The programme aims to incentivise the States to increase the share of investment in agriculture in their state plans. This programme is basically a state plan scheme and the funds under RKVY are provided as 100 percent grant.

The development of our country is intricately tied to agricultural growth therefore, making it a core part of our development agenda. Inadequate attention to this sector would eventually lead to imbalances in other macro economic variables, as has been experienced during the last few years.

Given two situation, strategies aimed at promoting growth of this sector on a more sustainable basis become significant. Studies have been carried out by eminent scholars who have suggested various strategies that may be adopted by the Government to deal with the present crisis in the sector. The root of the problem lies in the priority given to this sector in budgetary spending over time. Let us discuss the trend of budgetary investments in this sector in some detail.

### III. Priorities of Public Spending towards Agriculture and Allied Sector- A Reality Check

The development of our country is intricately tied to the growth of agriculture and its growth, therefore, it must be at the core of our development agenda. Any form of laxity towards this sector would eventually lead to imbalances in other macro economic variables, something which has been experienced in the Indian economy during the last few years.

Given the above situation, it is important to devise strategies aimed at promoting the growth of the sector on a more sustainable basis. Studies have been carried out by eminent scholars in this field and they have suggested various strategies to be adopted by the government to deal with the present crisis in this sector. The root of the problem lies in the priorities given to this sector in budgetary spending over the time. Let us discuss the trend of budgetary investments in this sector.

Though the NCMP has given much importance to increased public investment in the agriculture sector, budgetary allocation/spending is far from satisfactory. Given the intensity of the agrarian crisis in India today, the expenditure that the present government has incurred in this sector over the last five years in order to address these problems is quite inadequate. The priorities accorded in the budgetary allocation and spending in subsequent budgets since 2004-05 reflects that agriculture as a sector, though it provides livelihoods to millions of rural Indians have remained neglected.

#### Public Spending on Agriculture from the union budget

**Table 11: Total Central Government Spending on Agriculture and Allied Activities**  
(in Rs. crore)

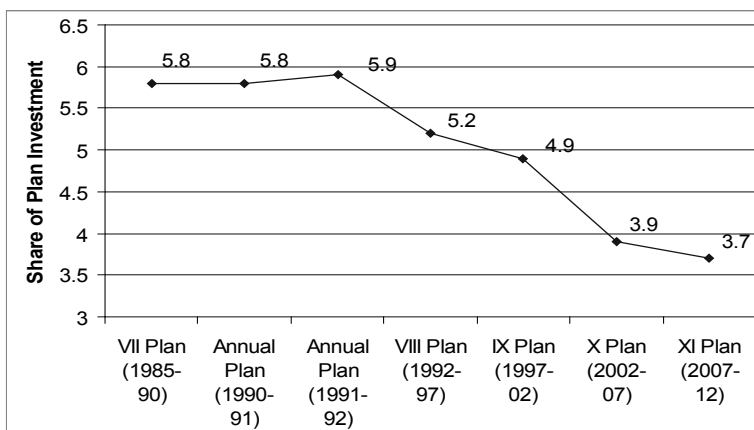
Year	Revenue Expenditure	Capital Expenditure	Loans and Advances	Total Expenditure
1999-00	16696.86	218.04	222.51	17137.41
2000-01	19330.77	42.18	154.46	19527.41
2001-02	25448.96	44.55	219.13	25712.64
2002-03	30939.37	55.61	190.61	31185.59
2003-04	32746.29	62.84	92.36	32901.49
2004-05	36192.82	73.57	89.53	36355.92
2005-06	37443.13	47.75	102.59	37593.47
2006-07	48143.6	79.54	60.50	48283.64
2007-08	68257.83	363	68	68688.83
2008-09 RE	139670.8	770.34	67.5	140508.67
2009-10 BE	98076.64	102.91	69	98248.55

**Source:** Compiled from the data given in AFS, Various Years, Gol.

A small increase in expenditure has been observed in agriculture and allied activities since 2003-04 (as a share of GDP it was 1.19 percent and it has reached 1.64 percent in the budget estimate of 2009-

10). Being the nodal agency for implementing the Central government schemes and programmes for overall development of agriculture, the Ministry of Agriculture (of GoI) plays an important role in actualising the felt needs of the agriculture sector in the country. But, the budgetary allocation and expenditure of the Ministry of Agriculture from 1999-2000 to 2008-09 reveals a dismal picture both in terms of its spending as a proportion of GDP and as a proportion of total central government expenditure. The expenditure of the Ministry as a proportion of the GDP and as that of total union budget was 0.18 percent and 1.12 percent respectively during 2004-05, and in the recent budget i.e. budget estimates of 2009-10, it has slightly increased and reached 0.25 percent and 1.57 percent respectively. Expenditure under capital accounts of the Ministry of Agriculture, Government of India, reduced drastically since 2004-05 and reached 0.69 percent out of the total expenditure of the Ministry in 2009-10 (it was 6.57 percent during 2004-05). Share of plan investment (both centre and States/UTs) in the agricultural sector has been declining since 1985 thereby, indicating low priority accorded to this sector. During the Seventh Five Year Plan, the share of plan investment in agriculture and allied activities was 5.8 percent which reduced to 3.7 percent in the recently proposed Eleventh Five year Plan. This shows a declining trend in plan investment priority of the government. (Figure-3)

**Figure 3: Percentage Share of Plan Outlay on Agriculture and Allied Activities since the Seventh Five Year Plan**



Source: Economic Survey, 2007-08, GoI

**Interim Budget 2009-10: What about Major Schemes/Programmes in Agriculture and Allied Activities?**

- There is no increase in allocation found in the budget 2009-10 for the programme national horticulture mission. The allocation during 2008-09 budget was Rs. 1,100 crore and has remained same in 2009-10 budget, even in 2008-09 revised estimates, allocation towards this reduced to Rs. 1,000 crore.
- The budget estimate for the programme RKVY for the year 2008-09 was Rs. 3,165.67 crore, and for 2009-10 budget estimate is Rs. 3,153.3 crore. Hence, the allocation for RKVY has also declined to the extent of Rs. 12 crore.

- Allocation for department of agriculture and cooperation declined in the current budget compared to the previous budget estimates. (It was Rs. 10,734.45 crore in 2008-09 BE reduced to Rs. 10,651.45 crore in 2009-10 budget)
- There is an increased allocation for department of agricultural research and education in 2009-10 budget compared to previous budget estimates. The increase is to the extent of around 21 percent.
- There is no such increase in plan allocation seen for agricultural research and education and department for agriculture and cooperation in 2009-10 budget compared to the budget 2008-09.
- An increase of only Rs. 44 crore is observed for the department of Animal Husbandry, Dairying and Fisheries.

### Spending on the Sector from the Budgets of All the States since 2003-04

In the Indian federation around 55 percent of the total public expenditures are being carried out by the state governments. Keeping this fact in mind, an attempt is also made here to track the budgetary priorities for agriculture and allied activities in the respective state budgets. Data given in the following tables reflect the truth.

**Table 12: Trends of Total Expenditure (All States)  
for Agriculture and Allied Activities**

(in Rs. crore)

Function/Year	2003-04	2004-05	2005-06	2006-07	2007-08 RE	2008-09 BE
Agriculture and Allied Activities	18894.62	24696.97	25397.6	31371.85	39546.92	42434.59
Crop Husbandry	5155.28	5907.45	5819.78	7088.21	10724.92	13705.43
Soil and Water Conservation	1221.06	1328.35	1291.27	1781.98	2302.94	2749.17
Animal husbandry	2205.58	2439.16	2717.17	3194.58	4054.21	4774.3
Dairy Development	1119.31	898.47	953.87	1088.99	1029.46	1485.68
Fisheries	447.26	536.85	684.24	844.66	1164.77	1404.35
Forestry and Wild Life	4280.97	4318.58	4980.38	5549.57	6423.89	7209.38
Plantations	20.61	12.94	12.69	13.59	14.45	14.8
Food Storage and Ware Housing	704.26	2758.26	2154.53	2700.88	3992.85	3321.09
Agricultural Research and Education	1439.82	1477.62	1664.46	1906.07	2220.95	2737.97
Co-operation	2092.59	4892.51	4992.08	7058.74	7416.32	4712.07
Other Agricultural Programmes	207.96	126.78	127.13	144.58	202.16	320.35

Source: State Finance: A Study of Budgets, Various Years, RBI



**Table 13: Trends of Plan Expenditure (All States)  
for Agriculture and Allied Activities**

(in Rs. crore)

Function/Year	2003-04	2004-05	2005-06	2006-07	2007-08 RE	2008-09 BE
Agriculture and Allied Activities	6417.84	7376.71	8279.47	12984.26	18102.52	22614.87
Crop Husbandry	2298.4	2557.46	2783.04	3443.79	6257.93	8765.15
Soil and Water Conservation	846.42	943	899.88	1325.38	1749.23	2156.44
Animal husbandry	322.66	428.61	589.91	813.25	1361.6	1723.13
Dairy Development	60.74	74.06	127.7	245.98	393.35	764.4
Fisheries	204.26	272.5	321.77	459.38	598.25	857.01
Forestry and Wild Life	1567.82	1552.99	2070.99	2408.96	2821.03	3245.29
Plantations	13.6	7.58	6.67	7.65	7.78	7.87
Food Storage and Ware Housing	131.15	93.2	112.67	313.78	686.53	536.07
Agricultural Research and Education	283.19	327.21	445.54	548.9	672.22	1258
Co-operation	662.12	1078.42	865.69	3361.41	3454.1	3098.59
Other Agricultural Programmes	27.49	41.68	55.61	55.78	100.5	202.92

Source: State Finance: A Study of Budgets, Various Years, RBI

**Table 14: Trends of Revenue Expenditure (All States)  
for Agriculture and Allied Activities**

(in Rs. crore)

Function/Year	2003-04	2004-05	2005-06	2006-07	2007-08 RE	2008-09 BE
Agriculture and Allied Activities	17163.03	19946.47	20986.71	24595.85	32925.97	36375.74
Crop Husbandry	4752.94	5648.92	5678.88	6879.66	10153.64	13312.79
Soil and Water Conservation	957.63	1088.32	1032.45	1248.71	1593.3	2011.13
Animal husbandry	2176.43	2406.2	2625.21	3049.11	3799.43	4514.96
Dairy Development	1111.7	890.64	942.79	1075.64	1023.42	1482.02
Fisheries	396.31	471.38	609.62	738.86	1022.56	1201.01
Forestry and Wild Life	3864	3842.02	4321.08	4818.29	5672.27	6194.83
Plantations	17.77	6.62	6.19	6.84	7.13	7.46
Food Storage and Ware Housing	1140.46	1574.48	1635.34	1755.77	2212.47	1745.55
Agricultural Research and Education	1409.36	1455.17	1629.98	1843.26	2196.02	2695.23
Co-operation	1135.91	2441.28	2387.03	3043.31	5063.6	2912.83
Other Agricultural Programmes	200.6	121.45	118.13	136.41	182.13	<b>297.95</b>

Source: State Finance: A Study of Budgets, Various Years, RBI

**Table 15: Trends of Capital Expenditure (All States)  
for Agriculture and Allied Activities**

(in Rs. crore)

Function/Year	2003-04	2004-05	2005-06	2006-07	2007-08 RE	2008-09 BE
Agriculture and Allied Activities	1731.59	4750.49	4410.9	6776	6620.94	6058.82
Crop Husbandry	402.34	258.53	140.9	208.55	571.28	392.64
Soil and Water Conservation	263.43	240.03	258.82	533.27	709.64	738.04
Animal husbandry	29.15	32.96	91.96	145.47	254.78	259.34
Dairy Development	7.61	7.83	11.08	13.35	6.04	3.66
Fisheries	50.95	65.47	74.62	105.8	142.21	203.34
Forestry and Wild Life	416.97	476.56	659.3	731.28	751.62	1014.55
Plantations	2.84	6.32	6.5	6.75	7.32	7.34
Food Storage and Ware Housing	-436.2	1183.78	519.19	945.11	1780.38	1575.54
Agricultural Research and Education	30.46	22.45	34.48	62.81	24.93	42.74
Co-operation	956.68	2451.23	2605.05	4015.43	2352.72	1799.24
Other Agricultural Programmes	7.36	5.33	9	8.17	20.03	22.4

Source: State Finance: A Study of Budgets, Various Years, RBI

#### **State Governments' (All States) Budget Priorities for Agriculture and Allied Activities:**

- Since 2004-05, expenditure incurred by all States on Agriculture and Allied Activities shows a sharp increasing trend and reached Rs. 42,434.59 crore in 2008-09 Budget Estimates (BE) from Rs. 24,696.97 crore in 2004-05. The growth of expenditure during the period is around 72 percent (2004-05 to 2008-09).
- A significant increase is noticed in the plan expenditure during the period and the growth rate is more than 200% (From 2004-05 to 2008-09).
- Only 14 percent increase in Non-Plan expenditure was observed during the same period.
- Share of Plan expenditure out of total expenditure for Agriculture and Allied Activities noticed a sharp increase (from around 30 percent in 2004-05 to around 47 percent in 2008-09).

#### **Conclusion**

Looking at the crisis that has engulfed this sector, it is vital for Indian planners and policymakers to adopt a multi-pronged strategy with regard to the agricultural sector. In the first place, to ensure sustainable livelihoods for the millions, the government has to ensure that adequate resources are provided to this resource-starved sector in order to gather the necessary growth momentum. Subsequently, sufficient resources have to be earmarked to ensure low and cheap farm loans, adequate infrastructure for market linkages and go-down facilities and finally, strengthen the Public Distribution System (PDS) to reach the masses. It is worthwhile to note here that National Common Minimum Programme (NCMP) had made several promises to bring a strategic change in agriculture and rural development including announcements like significant increase in public investment in

the agricultural sector, massive expansion of irrigation facilities and above all, universal and year round food security. However, a meagre amount has been allocated under food subsidy which will put a lot of question mark over ensuring food security to the poor and the marginalised sections of the population. Decline in the budgetary allocation for food subsidy is usually justified by the rationale that it would make the system 'market-driven'. With millions of people below poverty line in the country, it is not possible to address basic nutritional requirements within a competitive market framework. Hence, the government has to ensure food security for the masses by raising food subsidy.

Since 1991, the lending pattern of commercial banks, including nationalised banks, to the agricultural sector has changed drastically. Loans have not been easily available and the interest has also been very high for the farming community. This has forced the farmers to rely on moneylenders and thus pushed up the cost of farming. Promises of NCMP in this regard seem to have remained only on paper. The promises were revival of rural co-operative credit system, and increase credit coverage for small and marginal farmers etc. Government should seriously think of supplying farm credit at low rates of interest to farmers. It has been examined in the foregoing how public investment in the agricultural sector has declined over time. Given the degree of economic crisis and its possible impact on Indian economy, government should increase investment in the farm sector. Investment in agriculture and its allied sectors, including irrigation, and farm research, should also be increased significantly. Apart from this, development and sustainability of agriculture in India depends on development of basic infrastructure like rural road connectivity, marketing and storage facilities. In this regard, Government should have clear budgetary provisions to ensure such facilities in the coming budgets.

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**PART EIGHT**

**RURAL DEVELOPMENT**

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# Financing Rural Development: Some Issues Relating to the Budget and Fiscal Decentralisation

*Kaushik Ganguly and Jawed A. Khan\**

Rural development involves extending the benefits of development to the poorest among those who seek livelihood in rural areas and bring about equity in the quality of life across all socio-economic groups. More elaborately rural development encompasses: (a) improvement in the standard of living including gainful employment, education, health, nutrition and housing and variety of social services; (b) decreasing inequality in distribution of rural income and resource endowment and in rural–urban imbalances in incomes and income opportunities and (c) increasing the capacity of the rural economy to sustain and accelerate the pace of these improvements.

## Box 1: Some Facts on Rural India

- Around 72.2 percent of the total population lives in rural areas
- 59 percent of the population depends on agriculture and allied activities
- The contribution of agriculture and allied activities to GDP has gradually declined over the years and stood at 18.5 percent in 2006-07
- Growth rate in agriculture and allied activities has also slowed down since 1990s. The average growth rate for the period is 2.5 percent between 1998-99 to 2006-07
- Rural India accounts for only 59 percent of literate persons
- Infant Mortality Rate is enumerated as 64 per thousand live births.

Source: NSS Report different rounds, Economic Survey 2007-08, NFHS III.

The above facts depict the low levels of human development in terms of income, education and health and extensive social marginalisation of the poor and landless. Evidently, given the large scale dependence of the Indian economy on the well-being of the rural economy for a balanced and equitable growth, a clear and objective analysis of the public policy in general and institutional

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mechanism of delivering public goods within the rural economy is a compelling necessity. This paper intends to examine and comment on the budgetary allocations of the government for the rural economy as a whole, financing rural development through centrally sponsored schemes and the role of local self-governing institutions in the provisioning for rural development.

The rural development programmes implemented by the central and state governments through various nodal agencies give special emphasis on removal of poverty through employment generation programmes, by productive assets transfers through institutional credit programmes and subsidy. Moreover, social sector programmes of rural housing, drinking water and sanitation facility, health and education are also undertaken to remove unequal access to public resources. However, government commitments to this sector have often gone without matching financial resources from the budget. Given the huge dependence of the rural population on agriculture and allied activities, measures to enhance agricultural productivity should have been taken on a war-footing, on account of which government investments have clearly fallen short. Table-1 charts out the various aspects of rural development and the quantum of government disbursement in each of these as percentage of GDP at market prices. Public spending (an average 1.7 percent of GDP) within rural economy shows a fluctuating trend over the last eight years, which signifies the lack of clear policy direction and failure to recognise the precarious situation of the rural economy as a whole. Disbursement towards major rural infrastructure heads like irrigation and flood control as well as investments in village and small industries show a stagnating trend.

**Table 1: Central Government Spending on Composite Rural Development as a Proportion of GDP**

(in %)

	Agriculture and Allied Activities	Rural Development	Irrigation and Flood Control	Village and Small Industries	Composite Rural Development
2001-02	1.12	0.27	0.02	0.04	1.45
2002-03	1.26	0.48	0.01	0.05	1.8
2003-04	1.19	0.44	0.01	0.05	1.69
2004-05	1.15	0.30	0.01	0.05	1.51
2005-06	1.05	0.44	0.01	0.05	1.55
2006-07	1.16	0.79	0.01	0.05	2.01
2007-08	1.41	0.37	0.01	0.04	1.83
2008-09 (BE)	1.27	0.34	0.01	0.04	1.67
2008-09 (RE)	2.59	0.75	0.01	0.05	3.40
2009-10 (BE)	1.63	0.58	0.01	0.04	2.26
Average	1.20	0.38	0.01	0.05	1.69

Source: Response to Union Budget, 2008-09, CBGA.

Note: \*The figure for 2006-07 is inflated due to the Special Securities issued to Food Corporation of India for Rs. 16,200 crore in settlement of past claims under *Sampoorna Grameen Rozgar Yojana* (SGRY). Average for Rural Development is calculated excluding the year 2006-07. Figures reported here are as per economic classifications of the Union Budget.

Apart from these, institutional restructuring was also undertaken to stimulate the process of rural development through various grassroot organisations like regional co-operatives and Panchayati Raj Institutions (PRIs). A landmark in this context was the 73<sup>rd</sup> Amendment Act 1992, which accorded the PRIs constitutional recognition and laid the foundation for their functioning as institutions of local self-governance. These institutions of local Self-Governance were meant to energise the rural development process through enhancing people's participation in planning and implementation of programmes. Several other institutions like Regional Rural Banks (RRBs), co-operative banks, NABARD, other nationalised commercial banks and National Institute of Rural Development (NIRD) were constituted to facilitate the process of rural transition and complement the Government programmes.

Post-independence, with the adoption of Five Year Plans, the focus of Indian development strategy was to create productive national assets of self-reliance. This strategy, however, relied entirely on central planning and execution through state governments or central government agencies under central guidelines. Even after institutionalising PRIs through the 73<sup>rd</sup> Amendment, rural development programmes were largely implemented through District Rural Development Agency (DRDA) which were prone to bureaucratic control. Such a heavily centralised system of governance was characterised by elitist capture of public resources, low people's participation in government programmes and weak mechanism of the delivery of services provided by the Government. The centralised approach led to low levels of infrastructure and low attainments in poverty eradication, which resulted in inequality, illiteracy and unemployment in rural India.

Many studies have acknowledged that active people's participation in rural development programmes can alone ensure the fruits of development to weaker sections. A committee headed by Balwant Rai Mehta (1957) to evaluate the performance of community development programmes (1952) says that it could not improve the lives of rural masses as it was expected. The committee also recommended creation of three-tier PRIs. After the 73<sup>rd</sup> Constitution Amendment Act, PRIs were given more political power, financial authority and more control over functionaries. Moreover, local level planning through District Planning Committees was also emphasised. This initiative, coupled with some innovative programmes of rural development has made a significant dent in the states where proper decentralisation has taken place. For most of the country however, it has remained vulnerable to official high-handedness, non-availability of funds and low levels of delegation of powers by state governments.

The basic objective of this background note is to identify factors which constrain the process of rural development and identify issues for advocacy. Apart from the Introduction, this paper has three sections. Section II deliberates on the programmes and resources in rural development; section III comments on the role of PRIs in the process of rural development as envisaged and the current realities and section IV consists of concluding remarks.

## **I. Major Centrally Sponsored Schemes for Rural Development**

In the process of rural development, Centrally Sponsored Schemes (CSS) have played a pivotal role. The CSS, mainly operating in rural areas, cover various programmes related to poverty alleviation, education, health, water and sanitation, women and child development, rural housing, road and



electrification etc. The schemes (CSSs) are designed by the central ministries and their outlay and nature are determined by the provisions and guidelines attached to the respective schemes. The funds for many CSSs bypass the state budget and go through different agencies like district authorities namely District Rural Development Agency (DRDA), state/district registered societies and local bodies. The schemes for which either PRIs get funds directly from the central government or in which they play an active role in implementation are detailed in Table 2.

**Table 2: Centrally Sponsored Schemes implemented through PRIs**

S.N	Category	Schemes implemented through PRIs
1.	Poverty alleviation schemes	National Rural Employment Guarantee Scheme (NREGS), <i>Sampoorna Grameen Rozgar Yojana</i> (SGRY)
		<i>Swarna Jayanti Gram Swarozgar Yojana</i> (SJSY)
2.	Education Schemes	Sarva Shiksha Abhiyan (SSA)
		Mid-day Meal Programme (MDM)
		Adult Literacy
3.	Water and Sanitation	Drinking Water Mission
		Total Sanitation Campaign (TSC)
4.	Land Resources	Drought Prone Areas Programme (DPAP)
		Desert Development Programme (DDP)
		Integrated Wasteland Development Programme (IWDP)
5.	Health	National Rural Health Mission (NRHM)
6.	Women and Child Development	Integrated Child Development Services (ICDS)
7.	Rural Housing	<i>Indira Awas Yojana</i> (IAY)
8.	Rural Roads	Pradhan Mantri Grameen Sadak Yojana (PMGSY)
9.	Rural Electrification	<i>Rajiv Gandhi Grameen Vidyutikaran Yojana</i> . Programmes for Non-Conventional Energy

**Source:** 1) MOPR, Action Programmes for 11<sup>th</sup> Five Year Plan 2006;  
2) Outcome Budget 2008-09, Ministry of Rural Development, Govt. of India.

In most of these programmes, *Gram Panchayat*, which is the lowest tier in PRIs, plays a major role in implementation, such as selection of beneficiary, activity, drawing up work plan and notifying work areas. The role of *Panchayat Samiti* (intermediate tier of governance in PRIs) is prominent in implementation in terms of monitoring and supervision of schemes and providing technical non technical support to *Gram Panchayats*. Moreover, *Zila Panchayats* also play supervisory and monitoring role in these schemes as well as consolidation and vetting of the plans prepared by the lower level of *panchayats* through the District Planning Committee (DPC). In some schemes like SGRY *Zila Panchayat* (DRDA) and *Panchayat Samiti* who together receive around 50 percent (20 percent and 30 percent respectively) of the funds, may commission works directly, out of which a specific share is also earmarked for SC/ST families living Below Poverty Line (BPL) and the minority community. However, in case of national missions like SSA and NRHM, it is the district level societies that are pivotal in terms of receiving the funds from the centre and their allocation

and utilisation. Here too, these societies are supposed to work in close co-ordination with different tiers of PRIs in developing their work plan.

The purpose of centrally sponsored schemes, as per their design, is to augment the resources of the states to undertake expenditure which the central government considers to be of national or regional priority. Evidently, most of these CSSs are geared towards poverty alleviation through employment generation (NREGS), livelihood options (SGSY), infrastructure (*Bharat Nirman*), development of land resources (DPAP, DDP, IWDP) and others pertaining to social sector development (NRHM, SSA, ICDS etc.). Over the years, there has been a significant increase in reach and scope of CSSs, both in terms of encroachment on subjects under the purview of states as well as funds by-passing the state budget and directly reaching the PRIs. Some of the major reasons put forward for this increased activity are a) inability of states to provide adequate resources, b) lack of clear strategy to implement social sector programmes, c) inadequate commitment of resources on priority programmes, d) unnecessary delay in release of funds from the state exchequer often compromising programme targets. Some of the programmes for which the PRIs have been receiving funds directly from the centre have been detailed in Table 3.

**Table 3: Funds flowing to PRIs through Centrally Sponsored Schemes**

(in Rs. Crore)

		2004-05	2005-06	2006-07	2007-08	2008-09@	2008-09	2009-10@
	<b>Total Expenditure on Rural Development</b>	<b>18240.22</b>	<b>27515.08</b>	<b>31021.01</b>	<b>37389.18</b>	<b>42425.96</b>	<b>67185.81</b>	<b>62606.95</b>
i)	Dept of Rural Development	13885.4	21354.27	24297.72	28523.5	31524.06	56883.54	51706.95
ii)	Dept of Land Resources	1053.43	1399.29	1421.66	1403.86	2400	1800	2400
iii)	Dept of Drinking Water Supply	3301.39	4761.52	5301.63	7461.82	8501.9	8502.27	8500
<b>Major Schemes</b>								
a)	<b>Sampoorna Gramin Rozgar Yojana*</b>	4590	7650	2700	3420	-	-	-
b)	National Food for Work Programme**	1818	4050	-	-	-	-	-
c)	National Rural Employment Guarantee Scheme	-	-	10170	10800	14400	30000.19	30100
d)	Swarnajayanti Gram Swarozgar Yojana	900	899.84	1080	1620	1933	2113	2115
e)	Indira Awas Yojana	2607	2475	2625.05	3636	4859	7919	7920
f)	Pradhan Mantri Gram Sadak Yojana	2219	3835.55	5103.06	6110	7075	7225.15	9135
g)	Integrated Wasteland Development Programme#	333	454	453	-	-	-	-
h)	Drought Prone Areas Programme#	300	353	360	-	-	-	-

i)	Desert Development Programme#	215	268	270	-	-	-	-
j)	Integrated Watershed Management Programme	-	-	-	1053.55	1692.5	1440.5	1875.9
k)	Rural Water Supply and Sanitation	3301.39	4761.52	5301.63	7461	7650	7640	7640

**Source:** Compiled from Expenditure Budget Vo II, various issue.

**Note:** \* has subsumed under NREGS, \*\* has been discontinued from 2006-07, # has been integrated into Integrated Watershed Management Programme. @ are Budget Estimates and figures pertaining to all other years are Revised Estimates.

The ever-burgeoning nature of CSSs has been a constant source of discord between the Central and the state governments, as many state governments have voiced their opinion that if the Central Government has additional resources then it must be shared with states as unconditional/block grants. In this regard, the National Development Council in 1969 took a decision that Central assistance to State plans should be in the form of unconditional/block grants and the transfers through CSSs should be limited to 1/6<sup>th</sup> of the block assistance. However, despite this decision, the number of CSSs and the quantum of funds they carry have increased significantly. As of 2006-07, there were 196 CSSs out of which 154 involving Rs. 24,802 crores were budgeted to be routed through the state budgets and remaining 41 CSSs involving Rs. 36,516 crores were slated to by-pass the state budgets and go directly to implementing agencies like PRIs. Therefore, the total budgeted outlay under CSS formed 46.7 percent of gross budgetary support for Central Plan and 33.3 percent of the approved plan outlay of state governments. Of the 41 schemes that are slated to reach PRIs, 10 programmes pertain to rural development and carry more than half of the fund for all schemes by-passing the state budget. Some of these schemes have been re-fashioned and subsumed under new programmes while some have been clubbed together and re-christened with a new set of guidelines. Overall, the modus operandi of these schemes has mostly remained unchanged and therefore, most of their fallibilities have not been adequately taken care of. Such inadequacies in the basic architecture or target-oriented guidelines of these schemes have led to under-utilisation being a predominant feature among many states, while some states having better absorptive capacity have tended to overdraw. Table 4 gives a brief sketch of the utilisation pattern of the major states in India for schemes like SGSY, SGRY, NREGS and IAY.

**Table 4: Utilisation of Funds for Select Schemes reaching PRIs across Major States in India**

Utilisation (in percent)	SGSY	SGRY	NREGS	IAY
> 100	Orissa	-	-	Tamil Nadu, Maharashtra, Goa
> 90 but < 100	M.P., Chattisgarh, A.P., T.N., Kerala, Gujarat, Maharashtra, Karnataka, Punjab, Haryana	Goa	-	M.P., Rajasthan, Orissa, A.P., Kerala, Haryana

> 80 but < 90	U.P., Goa	U.P., M.P., Rajasthan, Orissa, Jharkhand, Chattisgarh, T.N. Guj., Mah. Karn., Haryana	M.P., Assam, Rajasthan, Orissa	U.P., Assam, Jhk, Chatg, Guj, Punjab
> 70 but < 80	Rajasthan, W.B.	Assam, A.P., Kerala, Punjab	U.P., Jharkhand, Chattisgarh, Karnataka, Haryana	West Bengal, Karnataka
< 70	Bihar, Assam	Bihar, West Bengal	Bihar, W.B., A.P., T.N., Kerala, Guj., Mahar., Punjab	Bihar

**Note:** For utilisation under NREGS, figures for the year 2006-07 have been considered, while for others an average of 2005-06 and 2006-07 has been taken.

**Source:** Outcome Budgets 2007-08 and 2008-09, Ministry of Rural Development, Govt. of India.

While it is difficult to generalise the reasons behind under-utilisation across the states, it is also not desirable as geographical, climatic, socio-economic factors and administrative machinations peculiar to each of the states may impede or promote efficient implementation of these schemes. Neither can it be ascertained that higher income states with better infrastructure and manpower have performed better as a look at the table above shows that low income states like Madhya Pradesh, Rajasthan, Chattisgarh and Jharkhand have been consistently performing better across all the schemes. On the other hand, states with higher income and those which are better poised in terms of administration and infrastructure seem to falter consistently. West Bengal is one such example. It is to be noted that Bihar, which is the poorest of all the states, has been consistently the worst performer in terms of utilisation. Moreover, a strong PRI also seems to fail as an explanation of this diverse performance, as both Kerala and Karnataka have fared poorly in two out of four schemes listed above while Orissa has consistently performed better than others. One limitation to this line of argument is that it assumes better utilisation as indicative of better quality of expenditure, which may not be the case as there has surfaced time and again, allegations of misappropriation and leakage of funds meaning beneficiaries are deprived of their rightful share. Despite the inherent limitations of the above analysis, one issue that comes across clearly is that operations of CSSs are not geared towards internalising local needs, costs of delivery, productivity norms and other local characteristics which are crucial to the operational efficiency of these schemes. Some of the major drawbacks that have been widely noted for most employment generation schemes are given Box 2.

### Box 2: Major Drawbacks in Previous Employment Generation Schemes

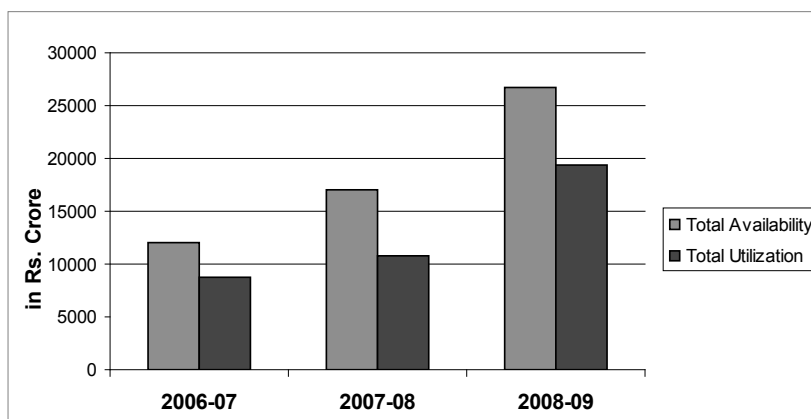
- Lack of awareness among beneficiaries
- Lack of community participation
- Lack of planning and policy formulation
- Quality of assets created are not always of requisite standards
- Reports of false muster role
- Problems in payment (less than prescribed wages)
- Diversion of funds
- Problems in payment (less than prescribed wages)
- Contractors are persisted
- Diversion of funds
- Weak monitoring, evaluation and verification systems
- No comprehensive database
- Inadequate capacity of implementing agencies
- Multiple wage programmes running in parallel
- No public accountability

**Source:** "Operationalising NREGA", National Advisory Council, 2006.

## Rural Employment Programmes: A Review of National Rural Employment Guarantee Scheme (NREGS)

The National Rural Employment Guarantee Act (NREGA) enacted in September 2005, was implemented from February 2, 2006 in 200 identified districts of the country in the form of NREGS. Its stated objective is to provide 100 days of guaranteed wage employment to each rural household opting for it. The coverage has gone up to 330 districts with the addition of 130 new districts in 2007-08. The ongoing programmes of SGRY and National Food for Work Programme (NFFWP) were subsumed under NREGS in these districts. The coverage of NREGS has been extended to all the 596 districts (excluding the urban districts) in the country in 2008-09. But the large increase in coverage did not reflect in the increase in allocation for 2008-09 – a mere Rs. 4,000 crore increase from Rs. 12,000 crore in 2007-08 (RE) for 330 districts to Rs. 14,400 crore in 2008-09 (BE) for 596 districts. However, the present budget (2009-10) reports a quantum leap in the allocation of funds for NREGS by 108 percent to Rs. 30000.19 crore in 2008-09 (RE). For the year 2009-10, allocation for NREGS has been pegged at the level of 2008-09 (RE) in the interim budget.

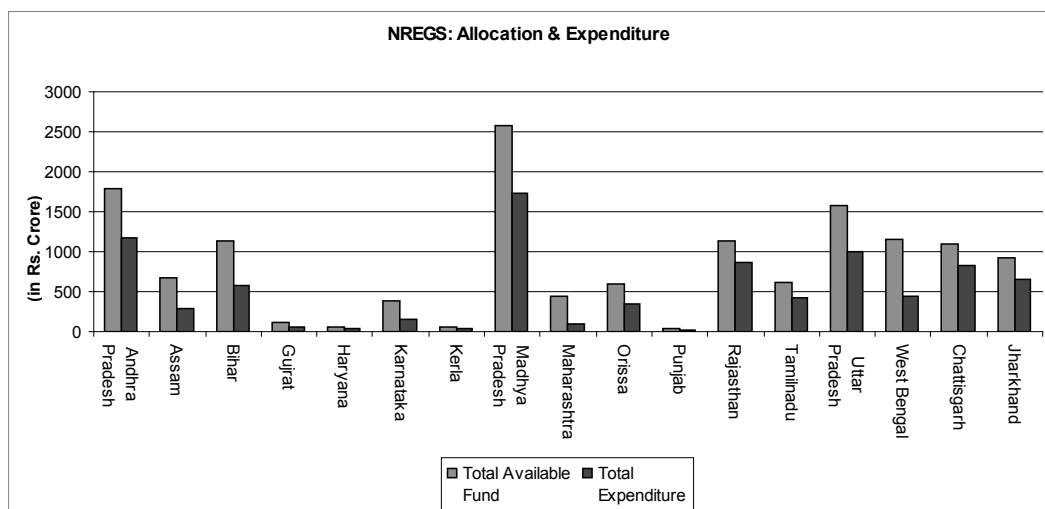
**Figure 1**



**Source:** Outcome Budgets of Dept of Rural Development (various issues) and financial reports from website of NREGS, [www.nrega.nic.in](http://www.nrega.nic.in)

The physical as well as financial progress of NREGS has continued to vary across states. The implementation in many high potential states like Maharashtra, Karnataka, Bihar, West Bengal and Orissa is well below the national average in terms of physical and financial progress during 2007-08. **Maharashtra, with maximum number of farmers' suicides could utilise only 25 percent of the total available funds in 2007-08** (till 29 February 2008). While some states have shown progress in implementation over the previous year, many have retreated. In particular, Orissa could utilise only 51.76 percent of the available funds in 2007-08 against 82.39 percent in 2006-07. **The overall fund utilisation at the national level has also fallen from 73.08 percent of available funds in 2006-07 to 63.37 percent in 2007-08** (till 29 February 2008).

### Allocation and Expenditure of Major States for NREGS during 2007-08



Source of Basic Data: Outcome Budget 2008-09, Dept. of Rural Development

Despite low utilisation, it is still too early to comment on the inadequacies of NREGS, as there exists considerable inertia within the administrative machinery as well as among beneficiaries to understand and adapt to new schemes. Some of the positive features of NREGS through which it address was hoped to the inadequacies of earlier employment programmes (See Box 2) are as follows: (a) a paradigm shift to a rights-based framework, which entails a legal guarantee of work unlike other programmes which could be withdrawn by the government at will; (b) disincentive for underperformance as unemployment allowance has to be paid by the state government within 15 days of demanding for work; c) resource availability under the scheme is demand-driven; d) accountability of the public delivery systems through social audit. However, crucial to the success of this scheme is the dissemination of the provisions of this scheme among beneficiaries. The possibility of dovetailing with other schemes can be explored to create durable public assets which will potentially increase the productivity of the rural economy as a whole.

Apart from employment generation initiatives, programmes like SGSY and IAY which are directly implemented through *Panchayats* are also fraught with weaknesses ranging from inaccurate or fudged beneficiary lists, insufficient funds being available for each beneficiary for exploring meaningful livelihood options or to construct houses in case of housing, increasing indebtedness of the beneficiaries, lack of markets and infrastructure. Particularly in case of SGSY some major problems pertain to target-driven SHG formation, subsidy driven large scale corruption, obsession with asset formation, lackadaisical nature of administration and banking staff leading to non-repayment of loans.

Notwithstanding their limitations, centrally sponsored schemes operating particularly in the poverty alleviation and rural infrastructure sector are the primary workhorses driving rural development.

One major reason for this is the lack of fiscal capacity of the state governments to allocate adequate financial resources to this sector on their own. State governments also often lack proper expertise and foresight in planning and policy formulation and thereby fail to keep in step with national policy priorities. However, given that there is no dearth of funds for the CSSs, the key for these programmes to deliver seems to lie in reforming the institutional mechanisms, strengthening monitoring mechanism at bureaucratic level and ensuring transparency and accountability at the grassroots level. There is, however, no single way of going about attaining these objectives, but a significant achievement would be to strengthen the local self-governing institutions in terms of ensuring their fiscal autonomy with well-defined fiscal jurisdiction. This will not only allow the *Panchayats* to raise resources to make local level planning effective, but also ensure complementarities between CSSs operational in their jurisdiction and grassroot planning. The CSSs, on the other hand, should have some form of flexibility to take into account regional diversities across the country. This can be achieved through partnerships with the local bodies at the district level and the District Planning Committees.

## II. *Panchayati Raj* Institutions (PRIs) in India: Carriers of Rural Development

PRIs, as envisaged in the 73<sup>rd</sup> Constitution Amendment Act, 1992, were to be established as independent units of local Self Governing Institutions with a clear mandate of planning for economic development, social justice and implementaties of schemes related to these as may be entrusted to them by their respective state governments. Accordingly, the Eleventh Schedule of the Constitution laid down a list of 29 subjects to be devolved to the Panchayats along with funds, functions and functionaries by each state government. This initiative not only tended to earmark a significant and viable jurisdiction for the PRIs but the subjects so chosen were those in which intervention, where necessary, was best suited at the lower tiers of governance rather than higher ones, which is also a thumb rule for effective decentralisation of governance. However, the extent of devolution was left to be decided by each state government according to their local needs. This led to each state government bringing forth their respective *Panchayati Raj* Acts, but the extent of devolution varied widely across the country. Table 5 enumerates the status of devolution of funds, functions and functionaries (3 Fs) to PRIs across all states in India. While states like Karnataka, Kerala, Sikkim, Rajasthan and Maharashtra have made substantial efforts in strengthening PRIs through concomitant transfer of funds and functionaries along with functions, most other states have with alacrity devolved the functions but have failed to devolve the other two F's as required. The lack of control over functionaries and inability to mobilise significant resources on their own have seriously impaired the functioning of PRIs and has precipitated their role as mere agencies of development. In most states these local institutions are heavily dependent on the funds from centrally sponsored schemes and state plan schemes for developmental activities within their jurisdiction. Untied grants from State Governments and own revenue sources are usually too little to encourage local level planning and execution of these plans. There is also, in some areas, lack of clear demarcation of power and functions between the three tiers of PRIs.

**Table 5: Status of Devolution of Funds, Functions and Functionaries to PRIs**

State	No. of Departments /Subjects Transferred to Panchayats with		
	Funds	Functions	Functionaries
Karnataka	29	29	29
Kerala	26	26	26
Sikkim	24	24	24
Maharashtra	18	18	18
Andhra Pradesh	05	17	02
Arunachal Pradesh	-	-	-
Assam	-	29	-
Bihar	8	25	Only functional control
Jharkhand	-	-	-
Goa	6	6	-
Gujarat	15	15	15
Haryana	-	16	-
Himachal Pradesh	02	26	11
MP	10	23	9
Chhattisgarh	10	29	09
Manipur	-	22	4
Orissa	9	25	21
Punjab	-	7	-
Rajasthan	18	29	18
Tamil Nadu	-	29	-
Tripura	-	12	-
Uttar Pradesh	04	12	06
Uttaranchal	-	11	11
West Bengal	12	29	12
A&N Islands	6	6	6
Chandigarh	-	-	-
D&N Haveli	-	3	3
Daman & Diu	5	9	3
NCT of Delhi	Panchayat System yet to be revived		
Pondicherry	-	-	-
Lakshadweep	-	6	-

Source: Ministry of Panchayati Raj, Govt. of India.



The inadequate devolution of powers and functions has created serious grey areas for political as well as administrative accountability. Since bureaucratic control over funds and implementation of the developmental schemes still exist to a large extent, political accountability of the elected representatives of the PRIs, which is a key cornerstone in the efficacy of these institutions, has been rendered ineffective. Conversely, given the plethora of schemes, it is virtually impossible for officials to effectively monitor implementation of these, thereby creating gaps in administrative accountability of the PRIs.

Inadequate staffing is also a major source of ineffective functioning of *panchayats*. *Gram panchayat* is the nodal agency for implementing rural development programmes, village administration and also organising *Gram Sabhas*. In some states like Kerala, where *Gram Panchayats* have been endowed with proper administrative setup, delivery and maintenance of public services at local level has made rapid strides. However, in states like Rajasthan, the responsibility of a *Gram Panchayat* is entirely on the 'Panchayat Secretary' whose major responsibilities are implementation and monitoring of major schemes like NREGS and IAY among others, hold *Gram Sabha* meetings and keep their minutes, manage finances of the panchayat and prepare accounting statements, administration of the panchayat office, dispense other administrative functions of the village and maintain all records. Dearth of requisite staff is also quite common at the Block and District *Panchayat* level. A particular area of weakness is that given the huge amount of fund flow to these institutions, there is a severe lack of trained accountants or fund managers and a very low emphasis on a harmonised system of process documentation and reporting even within the states.

### **Decentralised Planning and PRIs**

There is no gainsaying the fact that effective decentralised planning is the basis of any sound development strategy. In case of rural development, it is even more pertinent given the variegated facets of deprivation and poverty experienced across the country and therefore the huge diversity in remedial measures and types of assets that need to be created in this sector. To encourage peoples' participation in local planning and ensure that their needs and aspirations are captured in the process, *Gram Sabhas* formed the primary bedrock of *Panchayati Raj*. *Gram Sabhas* were also necessary to ensure social audit of schemes and programmes already being implemented and also guarantee accountability of elected representatives and administrative officials. In this regard, the *Panchayats (Extension to Scheduled Areas) Act, 1996*, had clearly spelt out the role of the *Gram Sabhas*. It quite succinctly puts down that every *Gram Sabha* should be responsible for safeguarding and preserving the traditions and customs of the people, their cultural identity, community resources and customary methods of dispute settlement. In addition, every *Gram Sabha* shall be responsible for (a) approving the plans, programmes, projects for economic and social development before these are taken up for implementation by the panchayats at the village level, (b) identification or selection of beneficiaries for poverty alleviation and other similar programmes, (c) issuing certificate of utilisation of funds by the panchayats for the plans, programmes and projects already being implemented. Application of such well-intentioned provisions in the constitution need to be strengthened and universalised. It

may also be made mandatory for at least a block level official to attend meetings of the *Gram Sabha* and explain to the people recent policy initiatives of the state or the Union government, the financial details and the peoples' initiative required.

Given the heavy dependence of PRIs on CSSs for financing rural development, it is absolutely imperative that these schemes be able to complement local planning as articulated through the *Gram Sabhas*. One way of achieving this would be to provide the panchayats with block grants with a flexible set of guidelines and enumerating broad areas of spending with specific percentages to be devoted in each sector rather than a restrictive list of activities. In addition, productivity norms of employment programmes and unit costs for provisioning public services like housing, water and sanitation may be determined with the help of line department officials at the district or block level. Technical advisory groups may also be constituted for this purpose. As many states have taken initiative in preparation of district level five year plans, such perspective planning, while it is a welcome initiative, needs to be backed with strong financial support. In this context, a commendable development is the introduction of Backward Regions Grant Fund (BRGF), which seeks to address regional imbalances where existing inflow of funds are not enough to bridge the development deficit. The BRGF provides untied funds to the panchayats based on a formula for division of funds devised on the basis of backwardness of the panchayats. Two important characteristics of BRGF are worth noting; firstly, it has made the constitution of district planning committees mandatory for all the states and secondly it has provisions for dovetailing with other schemes.

### **Fiscal Autonomy for PRIs**

Any amount of decentralisation in planning for development can only be successful if the local self-governing institutions are capable of raising resources on their own to finance a significant part of these plans without depending on higher levels of government. In this regard, it was mandated that the state governments enact conformity laws and constitute the State Finance Commission (SFC) for fiscal decentralisation to the PRIs. The role of SFC was to recommend (a) principles governing the distribution between the state and the local bodies of net proceeds of taxes which can be levied by the state; (b) determination of the taxes, duties, tolls and fees which could be assigned to the local bodies (c) quantum of grant-in-aid from the Consolidated Fund of the states. Additionally, the SFCs were also to suggest measures to improve the financial performance of the local bodies. PRIs receive funds mainly from the following four sources:

- (1) Consolidated fund of the state as per the recommendations of the SFCs;
- (2) Grants-in-Aid as per central finance commission award;
- (3) Centrally Sponsored Schemes (CSS); and
- (4) Own Source Revenue (OSR).

Table 6 gives a break up of the revenue receipts of all the tiers of Panchayati Raj in India.

**Table 6: Revenue Receipts of the PRIs (All Tiers) in India**

(in percentage)

	1998-99	1999-2000	2000-01	2001-02	2002-03
Own Tax	3.64	3.04	3.24	3.61	3.87
Own Non-Tax	3.07	2.95	2.86	2.77	2.98
<b>Own Revenue (A)</b>	6.71	5.99	6.10	6.38	6.84
Assignment + Devolution	30.20	29.23	28.10	27.46	27.69
Grants-in-Aid	56.34	58.92	57.76	58.85	58.95
Others	6.75	5.85	8.04	7.32	6.52
<b>Total Other Revenue (B)</b>	93.29	94.01	93.90	93.62	93.16
<b>Total Revenue (A + B)</b>	100	100	100	100	100

Source of Basic Data: Report of the Twelfth Finance Commission, Govt. of India.

Out of these, OSR has been a major source of contention. While it was noted that revenue generating efforts of PRIs were extremely poor, it must also be acknowledged that in many cases, the taxes or fees assigned to them lack revenue potential. Moreover, for efficient tax administration, a well-oiled administrative machinery for collection of taxes is needed. Another thing that needs to be investigated in this context is the revenue generating potential for tax jurisdiction in case of lower tiers of panchayats (especially *Gram Panchayats*). A major criticism of viability of own revenue of *panchayats* is that user fees or taxes are not levied at the *Gram Panchayat* level because of the proximity of these institutions to the assessee. In such cases, taxes may also be assigned to higher tiers of the *Panchayats* and the *inter se* distribution of these should be well defined and deliberated through the SFCs.

An institutional predicament in ensuring the fiscal autonomy of PRIs is the irregularity in instituting SFCs by the state governments. Moreover, the state governments are also often reluctant to implement fully the recommendations of the SFCs and there is often a lack of synchronisation in the award periods of the central finance commission and the SFCs. The Twelfth Finance Commission, in this regard, puts forward that “*we find that most states are yet to appreciate importance of this institution in terms of its potential to carry the process of democratic decentralisation further..... The delays in constitution of the SFCs , their constitution in phases, frequent reconstitution, qualification of persons chosen, delayed submission of reports and delayed tabling of action taken report (ATR) in the legislature have, in many cases, defeated the very purpose of this institution.*” Evidently, there is considerable inertia within the state governments to initiate reforms that fast track the process of decentralisation. One reason why state governments have been dragging their feet on fiscal decentralisation is the already existing vertical imbalance in sharing of resources between the Centre and states and the overbearing presence of committed expenditure (like salary, pension and interest payments) in the state budgets. Initiative, to a great extent, must rest with the Central Finance Commission to explore means of augmenting the resources of the state governments and also deliberate on the share of local bodies in the central government finances. The Twelfth Finance Commission (TFC) made considerable headway in this context by awarding the PRIs an amount

of Rs. 20,000 crores to improve their standard of civic services (mostly water and sanitation). The TFC noted that most states lacked accurate information on the finances of the local bodies. It was also noted that the Eleventh Finance Commission had awarded around Rs. 683 crores for creation of database by local bodies and maintenance of accounts, out of which only 30 percent had been utilised. The TFC, however, desisted from awarding any specific amount for strengthening of these activities. However, a specific grant may be considered by the forthcoming Central Finance Commission for strengthening the establishment and administration of the PRIs and improving their Management Information Systems (MIS). Such a grant may also provide incentive to the state governments to devolve functionaries to the PRIs.

The Central government may also consider devolving a part of the CSSs (particularly the ones reaching PRIs) as block grants or central assistance to district plans, for states that have made considerable progress in empowering the panchayats and have taken up administrative and institutional reforms to improve the transparency and performance of these bodies. Such a policy would enable states, which have already overcome the first generation problem of public service delivery through panchayats, perform better in maintenance and operation of their resources. This may also provide incentive for laggard states to improve their performance in this respect. Moreover, such initiatives would also liberate resources for the concerned ministries who can strengthen monitoring of their schemes operating in states which have low development indicators and have shown poor performance in terms of fund utilisation. An index of decentralisation, transparency and backwardness in terms of revenue capacity may be evolved for local self governing institutions to categorise the states and determine their eligibility for such grants. A similar index has already been used by the TFC to allocate *inter se* distribution of Grants in Aid among the states.

### III. Concluding Remarks

The above discussion makes an attempt at highlighting issues that are relevant in the process of rural development, hanging from financing to institutional parameters. The discussion, as it has evolved, has already been documented in myriad studies on rural development and PRIs. Through some of it may seem regurgitation of well-established facts, the usefulness of this review extends to situating the dominant strands of the debate into the larger context of federalism and evolving trends in its financing pattern within the country. Though fifteen years have lapsed since the constitutional recognition of the third tier of governance, these institutions still operate with rudimentary administrative framework and straitjacketed finances. Moreover, the nature and performance of these institutions vary widely across the country, given the variegated levels of decentralisation effected by each state government. In some states, progress made has been often reverted to suit political priorities of the incumbent government. Hence, there is a need to initiate reforms which would ensure a minimum homogeneity in the structure and performance of panchayats across the country. A welcome initiative in this context would be to introduce a 'Local Government List' in the constitution along the lines of the already existing Central State and Concurrent Lists.

As far as financing development through CSSs is concerned, a major criticism against it is that it allows the Union government to encourage in distributive politics overriding developmental

imperatives. While such allegations have not been well established in academic and policy research circles, a welcome initiative in this regard would be to make the allocations under CSSs more formula based and transparent.

The onus of success of the PRIs does not rest squarely on government initiatives. Civil society initiatives will catalyse the transition to decentralised governance.

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**PART NINE**

**CHILD RIGHTS**

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# No Cheer for India's Children in 2009-10

*Paromita Shashtri, Enakshi Ganguly,  
Madhumita Purkayastha and Indrilin Dkhar\**

**E**xtraordinary economic circumstances warrant extraordinary budgets, said Finance Minister Pranab Mukherjee while presenting the interim budget for 2009-10, the UPA Government's last budget before it goes to the polls to seek a fresh mandate from the Indian people. Reflecting the woeful lack of resources in the economy and with the global economic slowdown as the backdrop, the budget has focused on spending on the strictly unavoidable—that which is necessary to garner votes--the UPA's flagship schemes such as the NREGA. This has been done mostly through some extraordinary borrowing that has zoomed in the current fiscal year, 2008-09, by around 157 percent over and above the levels in the previous, and will rise some more in the next, 2009-10.

In these extraordinary circumstances, what can India's children hope for? Precious little. In keeping with the statements of hardship trotted out in the speech, children have been practically bypassed in the Union Budget. From health to education to nutrition to protection, children have either received less in 2009-10 or their share has remained the same. From a share of 5.28 percent of the budget in 2008-09, which declined sharply to 4.22 percent in the revised figures for 2008-09 even as general government expenditures went up, the total share of children in this year's Interim Budget has gone down sharply to only 4.32 percent.

## **A Budget Statement for Children**

Following up on former Finance Minister P Chidambaram's announcement on child budget in 2008-09, there is a separate statement (statement 22) in the Expenditure Budget 2009-10 for children, called

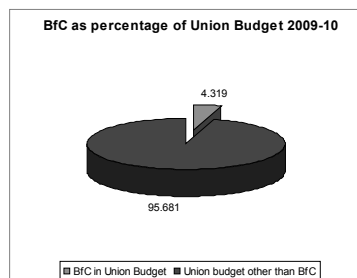
### **Budget Provisions for Schemes for the Welfare of Children**

*Recognising that children under 18 constitute a significant percentage of the Indian population, the Government is committed to their welfare and development. This statement reflects budget provisions of schemes that are meant substantially for the welfare of children. These provisions indicate education outlays, provisions for the girl child, health, provisions for child protection, etc.*

\* Authors are associated with HAQ: Centre for Child Rights



*As the pie gets smaller for the average Indian in a tough year, children get even less of it.*



This decline has been sharp and across the board. As the table 1 shows, the share of expenditure in each of the four sectors--development, health, protection and education--is lower in the Interim Budget. Thus, as the pie gets smaller for the average Indian in a tough year, children get even less of it.

In fact, total budgeted expenditure under the head of child welfare in the department of women and child development has remained practically stagnant at Rs 6517.48 crore in 2009-10, compared to Rs 6507.23 crore in 2008-09. Similarly, the total budget for elementary education has seen a paltry increase of 0.45 percent in 2009-10, although a new scheme called the *Rashtriya Madhyamik Shiksha Abhiyan* has been introduced with an allocation of Rs. 1143.46 crore. Accounting for the severe inflation that we saw in 2008, it is possible to argue that the government will spend less on children in 2009-10, a year that promises, according to the budget speech, to be one of extreme adjustment and hardship.

**Table 1: Share of expenditure in development, health, protection and education sectors**

Share of Children in union budget (percent)	2008-09 (BE)	2008-09 (RE)	2009-10 (BE)
Share of Development Sector, BfC in Union Budget	0.87	0.72	0.72
Share of Health Sector, BfC in Union Budget	0.54	0.46	0.42
Share of Protection Sector, BfC in Union Budget	0.06	0.03	0.03
Share of Education Sector, BfC in Union Budget	3.81	3.01	3.15
BfC in union budget	5.28	4.22	4.32

## Flagship Programmes: No Real Rise At All

The interim finance minister (Mr Mukherjee stood in for the ailing Prime Minister Manmohan Singh, who holds the finance portfolio) has been appreciated for giving a stimulus to the economy by earmarking huge funds for flagship programmes in the interim budget. Yet, if one compares the revised figures for 2008-09 with those budgeted for the next fiscal, the actual spending is more or less stagnant. For instance, total allocation for the flagship programmes in 2009-10 comes to Rs

1,31,317 crore. This includes Rs 30,100 crore for the **NREGA**, compared to the Rs 16,000 crore budgeted for 2008-09. A big rise? Not if you compare it with the revised figure. The Government spent Rs 30,000 crore already on NREGA, extending it to all districts in the current year, so next year's allocation is only a 0.3 percent increase.

*Budget for tackling child labour in the Ministry of labour halved.*

That is a shame, because NREGA is a programme that guarantees at least one member of a poor household some income for about a quarter of the year, thus staving off hunger and hopefully obviating the need to pull children out from school and send them out to work in the fields or at a construction site to support the family. In a year that has seen huge job losses in both formal and

informal sectors, a stagnant allocation in such a crucial programme is bound to increase starvation and hunger and step up child labour.

Not that the government is overtly bothered with child labour. It has probably decided that banning child labour in some sectors will solve the problem. **Why else would it nearly halve allocation for the Scheme on Improvement in the Working Condition of Women/Child Labour under the Ministry of Labour to Rs 90 crore in 2009-10?** The 2008-09 Budget had initially allocated more than Rs 156 crore to the scheme but, by the end of the fiscal, the government had managed to spend only Rs 146.63 crore. This, when the 2001 census acknowledges that the number of economically active children between the ages of 5-14 rose to 12.6 million in that year, accounting for over 7 percent of the population. In the wake of globalisation and growing consumerism, children find their way into newer and newer occupations everyday, especially some hazardous ones vacated by the adults.

*The budgeted outlay of Rs 13,100 crore for SSA in 2009-10 remains the same as what had been budgeted for and spent in the current year.*

The other flagship schemes of the UPA Government have met with the same fate. Take *Sarva Shiksha Abhiyan* (SSA), the aim of which is to put every child in school. Although 98 percent of our habitations are covered by primary schools, the quality of elementary education is abysmal and dropouts remain high. Between 2003-04 and

2008-09, the allocation for this programme increased by 571 percent. Not anymore. The budgeted outlay of Rs 13,100 crore for SSA in 2009-10 remains the same as what had been budgeted for and spent in the current year. Even in the moderately successful **Mid-Day Meal Scheme**, which now covers all school children in classed I to VIII, the outlay remains exactly the same in both the years, Rs 8000 crore. Also, in both SSA and MDM, the extent of expenditure being funded from the *Prarambhik Shiksha Kosh* (the education cess that is contributed by all, even the poorest) has been going up every year, raising the burden of accountability on the government.

*In 2009-10, outlay for the moderately successful Mid-Day Meal Scheme, which now covers all school children in classes I to VIII, remains exactly the same as before.*

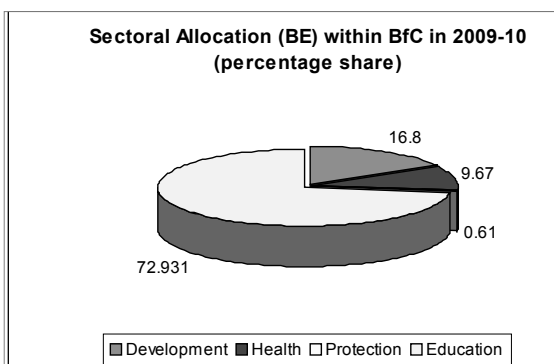
## WHO Norms help ICDS

The only scheme that has bucked the trend of neglect is the **Integrated Child Development Scheme (ICDS)**. It has actually seen a small rise in its outlay in 2009-10, by 6.3 percent to Rs 6705 crore. In an effort to universalise ICDS, as part of the UPA's common minimum programme, the scheme was expanded twice in the last five years to uncovered habitations across the country. Yet, in the year preceding the third national family health survey, the results of which were released in 2007, only 28 percent of children were reported to have received any services from an *Anganwadi* centre. According to the government's own estimates, in the 2005-06 annual report for the ministry of women and Child, only 6.49 lakh *Anganwadis* were operational, leaving a shortfall of 10.7 lakh *Anganwadis* and thousands of children uncovered. The extra money would hopefully go some way in meeting this deficit. Another encouraging fact about ICDS in this budget: Under attack for rising malnutrition levels among children, the government will adopt the new WHO's child growth norms from the next fiscal year for monitoring growth of children under this scheme.

*There has been a 6.3 percent increase in the allocation for ICDS. The extra money would hopefully go some way in meeting this deficit of 10.7 lakh Anganwadis, leaving thousands of children uncovered.*

## No Protection for Children

As for child protection, the government has struck at its core by cutting the budget for the **Integrated Child Protection Scheme (ICPS)**, down from Rs 180 crore in 2008-09 to only Rs 54 crore (plus Rs 6 crore to be spent in north-eastern states). It even managed to spend only Rs 54 crore in 2008-09, as per the revised budget. The ICPS, which was to be implemented during the eleventh five year plan period and unloaded with much fanfare in 2007, is practically stillborn and is awaiting approval from the full Planning Commission. If implemented rightly, the ICPS will go a long way in establishing a countrywide integrated juvenile justice system, especially the much-needed institutions such as a Juvenile Justice Board (JJB) and a Child Welfare Committee (CWC) in each one of the 611 districts of the country. HAQ has calculated that only one day's expenditure on just the members alone, if all CWCs and JJBs are to be in place, amounts to Rs. 2,13,800 per day, not including other administrative costs. But meeting civil and political rights of children is obviously a low priority area for the government.



*The government has struck at its core by cutting down the budget for the Integrated Child Protection Scheme, from Rs 180 crore in 2008-09 to only Rs 54 crore (plus Rs 6 crore to be spent in North-Eastern States).*

Still, the 2009-10 budget does not come as a shock to child activists in the country. Especially because it is an interim budget, which is a constitutional provision that allows the outgoing government to present the revenue and expenditure accounts to enable the ministries to continue funding existing programmes till the incumbent government manages to present the full budget. With elections scheduled in April-May, the full budget for 2009-10 will now be presented in June. While the government does need Parliament's approval for such a presentation, it does not have the mandate to tweak major policies or change tax rates. Any major reform or rethinking in terms of India's children was therefore not expected.

## **Bad Fiscal Management Hits Children**

The budget speech does mention that to get out of the economic mess and achieve a minimum of 6-7 percent growth in 2009-10, the new government must be prepared to spend an additional amount equivalent to 0.5 to 1 percent of the GDP in the full budget. In other words, an additional Rs 30,000 crore to Rs 60,000 crore. Is this good news in the offing? Unfortunately no.

We hope this might translate into a higher budget for children, perhaps in some areas such as education or health or even protection--assuming the ICPS is cleared by the planning commission, it will need a much higher outlay. But we have a greater worry, for two reasons. First, the central government has few ways to fund this increase, except two: higher borrowings or more taxes. The first seems difficult, especially since it has already run up a huge borrowing of close to 10 percent of the GDP both in and out of the budget. As for taxes, despite a big shortfall in 2008-09, the government's revenue budget remains ambitious, so expect a few new levies. Either way, the general public will bear the greater burden of the fund-raising, and the already disadvantaged and neglected will be hit harder.

Secondly, and more important, a government that enjoyed four years of a striking near-9 percent growth on average and still could not devote enough attention to areas that are crying out for attention, such as child protection and health, cannot definitely do it in a year of difficulty. For the children of India, 2009-10 clearly doesn't hold any good tidings. Don't hold your breath till June, anyway.

# Child Deficits in the Union Budget

*Enakshi Ganguly Thukral, Bharti Ali, Abhijeet Nirmal and  
Madhumita Purkayastha\**

**T**he Finance Minister's self-congratulatory tone in outlining the welfare provisions for children in this year's union budget is somewhat misleading. In real terms, children have made hardly any real gains compared to the increased allocations for the customary holy cows of the nation, such as defence.

Recognising that children under 18 constitute a significant percentage of the Indian population, the government is committed to their welfare and development. This statement reflects budget provisions of schemes that are meant substantially for the welfare of children. These provisions indicate educational outlays, provisions for the girl child, health, provisions for child protection, etc.

*Expenditure Budget. Volume-I "We will score another 'first' this year. A statement on child related schemes is included in the budget documents and honourable members will be happy to note that the total expenditure on these schemes is of the order of Rs 33,434 crore."*

...P. Chidambaram, Budget 2008-2009

When considering the provisions made for children in the union budget for 2008-09 and evaluating the condition of children in India, it is necessary to consider the overall economic climate in the country. International Monetary Fund (IMF), while maintaining its growth projection for India at 8.75 percent for 2007-08, has flagged the immediate need for fiscal consolidation and structural reforms to achieve inclusive growth in the face of growing income inequalities. Despite impressive revenue performance, the Fund said, fiscal consolidation has stalled and public debt remains high, squeezing the fiscal space needed for public investment in physical and social infrastructure. What does this mean for children who are the most vulnerable and voiceless?

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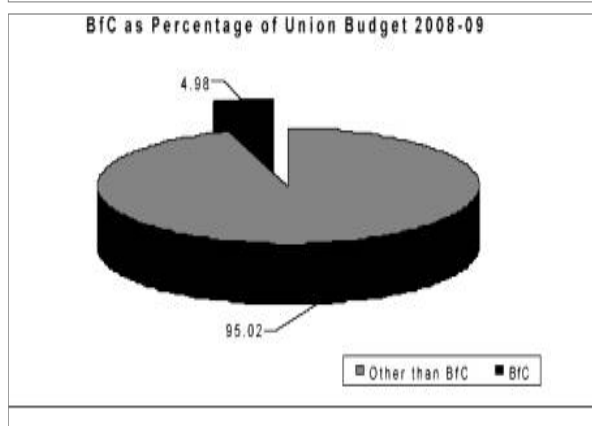
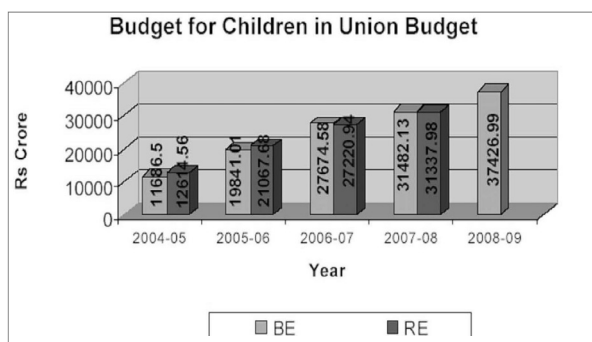
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## Budget for Children (BfC) – 2008-09

### Budget for Children (BfC) in the union budget 2008-09

Rs Crore

Programmes & Schemes	2004-05 (BE)	2004-05 (RE)	2005-06 (BE)	2005-06 (RE)	2006-07 (BE)	2006-07 (RE)	2007-08 (BE)	2007-08 RE	2008-09 BE
Child Development	2017.93	2040.06	3385.35	3371.38	4682.41	4687.63	5489.44	5573.25	6539.63
Child Health	2021.21	1576.71	2709.40	2806.72	3133.54	2649.33	3301.03	1392.71	1828.58
Child Protection	159.51	152.87	176.11	172.79	192.36	183.53	304.86	267.64	418.76
School Education	7487.85	8844.92	13570.15	14716.79	19666.27	19700.45	23863.00	24123.07	28640.02
<b>Child Budget</b>	<b>11686.5</b>	<b>12614.56</b>	<b>19841.01</b>	<b>21067.68</b>	<b>27674.58</b>	<b>27220.94</b>	<b>32958.33</b>	<b>31337.98</b>	<b>37426.99</b>
Percentage Share of children in Union Budget	2.44	2.48	3.85	4.14	4.90	4.67	4.85	4.42	4.98
<b>Union Budget</b>	<b>477829.04</b>	<b>505791.41</b>	<b>514343.8</b>	<b>508705.4</b>	<b>563991.1</b>	<b>581637.04</b>	<b>680520.51</b>	<b>709373.26</b>	<b>750883.53</b>



Over the years, it has become clear that children need to grow up in a protective environment, where they are safe and secure from violence, abuse and exploitation. The Planning Commission, as well as the ministry has recognised this through the Integrated Child Protection Scheme (ICPS). Looking after children and keeping them safe requires human and financial resources through a plan budget. Any other investment on children—whether health, education or development will be wasted unless the children are protected wherever they are. To ensure that social investment brings better outcomes it is necessary to stop investing in ventures that marginalise communities and children. Displacing communities for ‘development’, which create islands of prosperity and deprive the local people in order to create a global market will only bring down the indices for children. It is necessary to focus the investments in the areas they are most needed in order to get optimum results.

Sectoral Allocation for Children in union budget 2008-09	In percent
Share of Development Sector, BfC in Union Budget	0.87
Share of Health Sector, BfC in Union Budget	0.24
Share of Protection Sector, BfC in Union Budget	0.06
Share of Education Sector, BfC in Union Budget	3.18
<b>BfC in Union Budget</b>	<b>4.98</b>
Source: Expenditure Budget Volume II, 2008-09	

However, a look at Statement 22 of the Expenditure Budget shows that there are several discrepancies between the finance minister's claim and the actual allocations made on schemes that have an impact on children.

- 1 The share of budget for children is 4.98 percent of the union budget as against 4.8 percent last year. However, according to Finance Minister's own allocation (statement 22) it is 4.5 percent only.

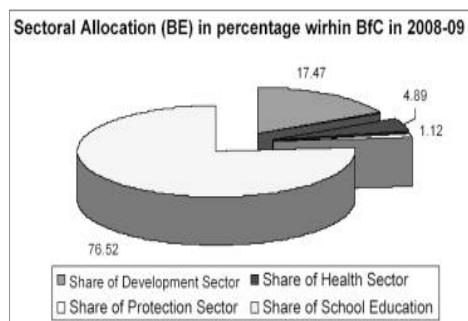
Sectoral Allocation within Budget for Children	In percent
Share of Development Sector	17.47
Share of Health Sector	4.89
Share of Protection Sector	1.12
Share of School Education	76.52

Source: Expenditure Budget Volume II, 2008 -09

- 2 Health has consistently received low priority from the government. While there is an increase of Rs. 3.75 (0.21 percent) crores in the health sector, there is a fall in the budget allocation for child health in proportion to the total budget in 2007-08 (from 0.268 to 0.244). The Economic Survey 2007-08 observes that a majority of the States have introduced user charges for services in public health facilities. Even while stating that access of poor and needy patients to health care must not suffer because of the levying of user charges, the Economic Survey 2007-08 acknowledges that India has one of the highest out-of-pocket household expenditure for health services, and that user charges further augment this expenditure (it has been calculated to be between 80-97 percent<sup>1</sup>). What does this mean for the child, especially if the child is a girl or disabled?
- 3 There is a reduction in the allocation for pulse polio immunisation from Rs 1289.38 crores in 2007-08 to Rs 104.2 crores this year. The has observed, "an outbreak of polio has been witnessed in 2006 with the spread of polio virus. During 2007 (as on 14.12.2007) a total of 471 cases have been reported. To respond to this, supplementary immunisation activities have been intensified in the high-risk areas."
- 4 There was an increase of Rs 904.2 crore (19 percent) increase in the allocation on ICDS. As on 31 January, 2008, 10.52 lakh *Anganwadis* were sanctioned. As of June 30 there were 8,63,472

operational *Anganwadi* centres. There continued to be a short fall of 7.68 lakh *Anganwadis* for universalisation.

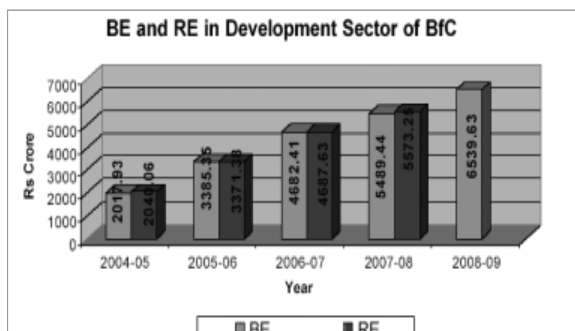
- 5 Due to the increase in the salaries of *Anganwadi* workers (from Rs 1000 to Rs 1500), Rs 838.80 crores of the Rs 904.2 crore increase will go towards meeting this expense, and only an additional Rs 65.4 crores is available for implementation of the ICDS programmes over the last year's budget.
- 6 There is also no money made available for training this year. In the last budget it was Rs 78 crores. What does this say about government's claims towards universalisation of ICDS?
- 7 There is fall of 6.70 percent in the much hyped Rajiv Gandhi Creche Scheme.
- 8 The allocation for protection of children has increased from 0.045 percent of the union budget to 0.056 percent. This increase is largely due to the increase in allocation for the Integrated Child Protection Scheme (ICPS). From an allocation of Rs 85.50 crores in 2007-08, it has been increased to 180 crores.
- 9 While this recognition of the need for protection of children is welcome, reduction in the allocation for the Juvenile Justice Programme will not help, as the ICPS is still to take off. Besides, in the first year, ICPS is only meant to cover five states. It never got off the ground due to lack of financial clearance.
- 10 The ministry had requested for Rs 3000 crores to implement ICPS for five years. The planning commission, in its wisdom reduced this to Rs 1000 crores. The finance minister allocated only about Rs 85 crores in 2007-08, which was reduced to Rs 38.5 crores. This year it has been increased by Rs 95 crores.
- 11 This gives rise to three concerns. One, is this sufficient to protect all children? Two, is it even sufficient to meet the basic requirements of the law? The juvenile justice law makes it mandatory to establish Child Welfare Committees (CWC) and Juvenile Justice Boards (JJB) in all 611 districts of the country. With the money now available, will it be at all possible to do this, given that one day's expenditure for all CWCs and JJBs currently in place is Rs 2,13800 per day, without administration costs? Lastly, is it even sufficient to get an integrated scheme of this nature off the ground?
- 12 In last year's analysis, the budget figures showed that there was a reduction in the Government's share (other than education cess) in the allocation for SSA. What do we find this year? Once again the increase in allocation to both Mid-Day Meal Scheme and *Sarva Shiksha Abhiyan* can be traced to the Rs 11,128 crore collection through the two percent education cess which was far more than the expected collection of Rs 10,393 crore.





## Development Sector in BfC

As per the Economic Survey, 2007-08, “The achievements under SSA upto September 30, 2007, include construction of 1,70,320 school buildings, construction of 7,13,179 additional classrooms, 1,72,381 drinking water facilities, construction of 2,18,075 toilets, supply of free textbooks to 6.64 crore children and appointment of 8.10 lakh teachers besides opening of 1,86,985 (till 31.3.07) new schools.”



- 1 The education cess money goes into two programmes -SSA and MDMS. It is important to see if the government is allocating its due share.
- 2 An analysis of the budget figures this year shows that the allocation for MDMS and SSA together in the 2007-08 revised estimates was Rs 19,849 crore, while this year (2008-09) the allocation for both programmes is Rs 21,100 crore. This is an increase of 6.3 percent in both programmes. However, in the same period the collection through the education cess has increased to 23.33 percent. Does it mean that children are not getting the increased share? If people have contributed 23.33 percent more through education cess for MDMS and SSA, why cannot the government do the same for children? 16 crore children are below the age of six years (Census 2001).

### According to NFHS-3 (2005-06)

- 1 38.4 percent of the children under three years are stunted
- 2 45.9 percent of the children under three years are underweight

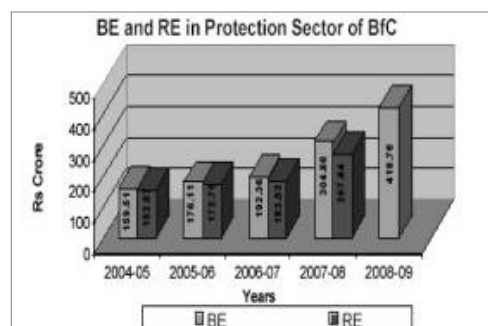
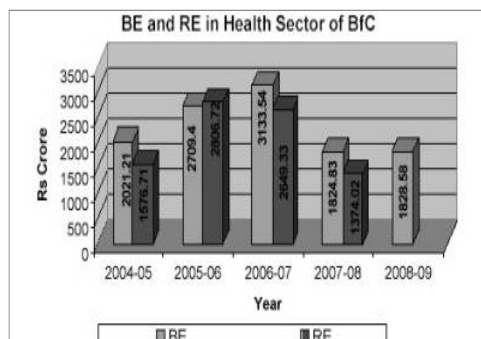
#### Under the ICDS programme:

- 1 1223725 children in the age group 3-6 years were yet to receive supplementary nutrition and pre-school education as on 31 March 2007.
- 2 Although 6284 ICDS projects were sanctioned in the country, 5885 projects were operational as on June 30 2007.
- 3 Of the 1052638 anganwadis sanctioned as on 31 March 2007, 863472 anganwadis were operational as on June 2007 ([www.wcd.nic.in](http://www.wcd.nic.in))

## Health Sector in BfC

- 1 2.5 million children die in India every year accounting for one in five deaths in the world, with girls being 50 percent more likely to die. India accounts for 35 percent of the developing world’s low birth weight babies and 40 percent of child malnutrition in developing countries.
- 2 According to the report India has the highest number of births as well as neo-natal deaths in the world.

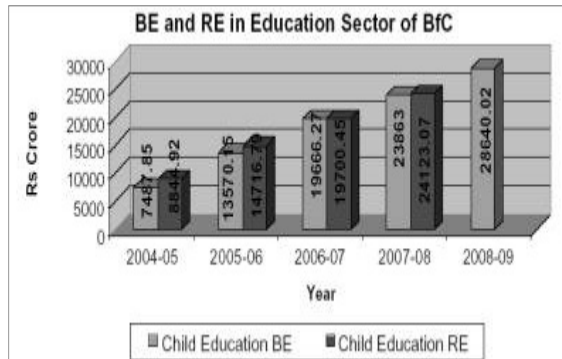
- 3 A strong gender bias against female newborns is conspicuous at all levels of the health system. For example, for every two sick male newborns admitted to a facility, only one female infant was admitted.
- 4 Despite national efforts to eradicate polio in mission mode, it has resurfaced.
- 5 Children affected and infected by HIV/AIDS need urgent attention.
- 6 In the absence of potable water, children continue to suffer from diarrhoea and other stomach ailments.
- 7 Diabetes, commonly known to attack people over the age of 25, is now being detected in very small children. According to hospital statistics, in 2002 Delhi alone had about 4,000 to 5,000 diabetic children though it is estimated that there might be an equal number of such undiagnosed cases.
- 8 One of every three malnourished children in the world lives in India; every second Indian child is underweight. As children grow up, poor nutrition and ill-health affects their learning abilities and preparedness for schooling.
- 9 Childhood anemia is rampant and appears to be on the rise. Reportedly, 79.2 percent of the children in the 6-35 months (under three years) age group are anemic (NFHS-3). This has gone up from 74.2 percent since the last survey (NFHS -2).
- 10 Only 43.5 percent of children within 12-23 months are fully immunised (NFHS-3)
- 11 Only 40.07 percent births in India are institutional (NFHS-3).



The following schemes have been included in the Budget Provisions for Children by the Finance Minister:

- 1 Scheme of Institute of Excellence/ Top Cass Education
- 2 **National Overseas Scholarship Scheme:** The following schemes have not been included in the Government's budget provision for welfare schemes for children:
  - 1 National Council of Teacher Education
  - 2 Access and Equity
  - 3 Central Tibetan Schools Society Administration.
  - 4 Information and Communication Technologies

- 5 *Kendriya Vidyalaya Sangathan*
- 6 NCERT
- 7 National Open School
- 8 National Scholarship Scheme
- 9 Other Programmes
- 10 *Navodaya Vidyalaya Samiti*
- 11 Quality Improvement in Schools
- 12 National Scheme for Incentive to Girls for Secondary Education (SUCCESS)
- 13 Strengthening of Teacher Training Institutes
- 14 Special *Jawahar Navodaya Vidyalaya*
- 15 Other programmes for welfare of SCs
- 16 Other programmes for backward classes
- 17 Common programme—SC, ST and backward classes
- 18 Grant—Rural School for Development of Playfield
- 19 Incentives—Promotion of Sports Activities
- 20 Model Schools



- 1 The national merit scholarship scheme has been formulated by the merging of two schemes i.e. National Scholarship Scheme and Scheme of Scholarship for Talented children at secondary level in rural areas.

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# Breaking the conspiracy of silence on Child Malnutrition

*Sachin Kumar Jain\* and Pallavi. K . Mali\*\**

**N**ine children died in duration of a week in three villages of Satna district of Madhya Pradesh due to starvation. The issue came to light when someone got wind of it. The health department says in its report that the deaths were due to malnutrition. However, the Women and Child Development Department (WCD) immediately denied the report, saying that the children had succumbed to various diseases, meaning it is not Dept's responsibility. Only thing was found common during this period of more than 2 months, administration continued to deny the fact of Child deaths due to malnutrition, but on the other side, officials went to affected families and provided 65 KGs of grain. The question now emerges that if there are no hunger deaths, then why administration is distributing the food grain. The cost of a child death is worth 65 KGs grain in Madhya Pradesh!! Now the number of investigated child deaths has reached to 360 in just 53 villages of 4 districts, but political powers could not talk on the matter, as they don't have knowledge and sense to analyze the situation. Normally they talk on general political issues, which need not them to have research or technical or field based understanding, but Malnutrition is an issue which demands some extra efforts for gathering knowledge of the issue. These extra efforts are missing in the political arena of Madhya Pradesh at least. Even it is interesting to note that Political parties are given authority to drive the state, make policies and decide the tomorrow of everybody, but there is no formal education and capacity building process in place for these "State Drivers".

No responsible officer deemed it fit to visit the affected villages and the WCD Department managed to alter the report mentioning that the children were above six years of age and thus outside the purview of its care, Simple but pathetic.

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\*\* Pallavi K. Mali is the Project Director of Sanket Center for Development Studies in Madhya Pradesh. She has contributed the budget analysis section of this paper.

Primitive Tribal Group in Gwalior-Chambal region – Saheriya, faces enormous health problems and while responding to these critical lives threatening conditions, State provides them – Dreams. In a very recent micro study by Saheriya Mukti Morcha, gives a bleak picture of state health services in rural areas. In a village – Chak Biledi of Sheopur district, in a period of 8 months (15th August 07 to 15th March 08), out of total 69 children under the age of 6 years, 13 have died due to preventable disease and 9 are girls among them. In the span of 35 days in June-July 2008, Karahal Community Health Center (according to NRHM guidelines CHC should have all facilities for deliveries) has just been referring the cases to District Hospital, which has resulted 5 women delivered their child in the buses. There is no body that has seen the ambulance under Janani Express Yojana, but hoardings of this scheme are there on each and every corner. The people's organisation Saheriya Mukti Morcha has filed 4 requests in last 4 months (April-July 08) to the district administration for organizing a health camp in the villages, but it couldn't worked out, because government has yet to select the private agency, which will carry business contact for providing public health care in tribal areas. One word for it – Horrible!!

Three out of the four positions of doctors at the Community Health Center are vacant. There is no gynecologist or even women doctor. Karahal block officially has a mobile health van on the paper to reach out to inaccessible areas. There are just 166 beds in all the government hospitals to cover the population of 5.60 lakh in 533 villages. The supply of actually needed medicines is a big dream here.

Above all; there is no state health policy available in the Madhya Pradesh, there is a draft document for last eight years, but health ministry shown interest in making and finalizing medicine purchase policy first, as it has clear target to eat the money in a systematic manner.

Children are not looked upon as living being in integrated form but in piecemeal manner according to age, department and problems by the state. The issue is not confined to Satna. Nutritious food has not been delivered to 24000 Anganwadi Centers (AWC) in the State and 2lakh children are not getting nutrition, which is very essential for their survival. And this is a regular feature. Children continue to die, but surprisingly issue does not have enough edge to provide a basis for debate in the political circles. It also proves that the issues of malnutrition deaths are outside political priorities' list. The kindergartens have become very important for the affluent people and the AWCs are being demolished because the market forces do not want State to play any role as Child rights protector.

*The meaning of the malnutrition in children is the starvation arising out of the political apathy towards the child rights, corruption, unaccountability and the current priorities of development.*

It is important to note that about 16 percent of the population in state is below age of six years, which means that about 1.10 crore populace falls in this category, but only one scheme is being implemented for them. More shockingly, only 0.9 percent of the GDP is spent on children under-6.

Now market forces are looking forward to earn money from nutrition based welfare schemes in India. There is a strong pressure from the biscuits manufacturer lobby, under the banner of Biscuit Manufacturers Welfare Association (BMWA), on the policy makers in Government of India to introduce ready to eat food under Mid Day Meal scheme, and these market forces are arguing

that locally procured meal will not be able to reduce / eradicate the nutrition deficiency among children. Big companies are attempting to make 18 crore children of 14 lakh Government and Government added primary and middle schools their captive consumers through MDM scheme has come a cropper. You may be shocked by knowing the fact that more than 30 members of parliament are lobbying in favor of these companies and creating pressure on institutions like Prime Minister's Office, Planning Commission and Ministry of Human Resource Development along with the Ministry of Women and Child Development. In this matter National Institute of Nutrition (authorized institution of Government of India on Nutrition) very categorically informed the Government (HRD Ministry) that Biscuits can not fulfill the recommended dietary requirements because biscuits are empty calories. At best they are snacks made of refined maida, sugar and hydrogenated fats, which can not replace a hot, cooked meal. More over 100 grams of biscuits provide only 6.5 grams of protein; this does not fulfill the nutrition norms. Adding 1, 2 or 5 micronutrients to biscuits may, in fact create problems because humans need at least 20 known vitamins, minerals and other protective substances, which can only be derived from fresh vegetables and fruits, and not from the added chemicals. Further more Minister of HRD, Mr Arjun Singh wrote a letter to these market advocate MPs that there is apprehension of violation of Hon'ble Supreme Court rulings that only hot cooked mid day meal is served. The HRD ministry stopped it in Schools Women and Child Development Ministry is still standing with the Profit making companies. The question is who to believe in political sections? Even after the opposition from various important Government and Non-Government offices, Ministry of Women and Child development has sent a proposal for expenditure to Finance Ministry for the procurement and supply of Ready-to-Eat meal in ICDS at national level.

The extent of *inhuman and apathy* of our politics towards malnutrition and its victim children could be gauged from the fact that let alone implementation, even the basic structure of the ICDS (Anganwadi scheme) in the 11<sup>th</sup> five year plan (2007-12) has not yet been decided.

No sign of any progress in implementation could be seen in budget of 2008-09, probably because as per the wish of the Union Minister, the work of supply of nutritious food could not be handed over to private companies, which will provide Biscuits in meal, in place of hot-cooked and culturally acceptable nutritious food.

The Supreme Court of India, in a decision of December 13, 2006, had ordered the universalisation of the ICDS scheme. Till then only four crore children in country were benefited by the scheme and out of 14 lakh habitations, localities and villages, eight lakh do not have AWCs. The Supreme Court on in its order dated 28<sup>th</sup> November 2001 made it very clear that every child, pregnant woman, lactating mother and adolescent girl should have access to the Anganwadi centers and should get its benefits. This included nutritious food, health check up, pre-school education, vaccination and others facilities as provided by AWC. The order of the apex court mandated the State that the work of universalisation should be completed by December 2008.

However there is no political movement visible in this direction. No political party has taken this on its agenda. Lets take an example of MP, here only 67770 Aangawadis are being operational against

the actual need of 1.26 lakh centers, while is dearth of as many as 58 lakh children are still deprived of the ICDS services. However one does not see any statement by any political party or either by any leader on the same

We have seen those guidelines that mention the checklist for the ministers and bureaucrats should review during the visit to the field. But the issue is not of guidelines, but the ground realities and ground realities make it clear that neither the politicians, nor the bureaucrats make any effort to check functioning of AWCs. In fact they should be writing their comments on the Anganwadi registers, but a recent study of Right to Food Campaign finds not a single comment has being made by any of them till date

The scheme basics make it very clear that every child, pregnant woman, lactating mother and adolescent girl should get the benefit of nutritious food and other services for 300 days in year without any limiting criteria. However in MP, the budget is given only for 130 days and out of this, the provision for 60 days fall victim to corruption. The report of Comptroller and Auditor General mentions that the scheme is not only prey to corruption in MP but also children do not get the necessary 300 calories and 8 to 10 gm of protein and as much as 59 pc children are totally deprived of the scheme. It is really a poser as to why the schemes in India are chalked out in a way that the common people cannot have any hopes from it. If one talks of government hospitals then they are centers that are filthy, totally degenerated with foul talking personnel and if one talks of Anganwadi centers then they are 8x10 ft rooms where 80 children, 20 pregnant woman and 30 adolescent girls are expected to sit. The beneficiaries are made to feel totally beggar-like during distribution of nutritious food so that they do not have any feel of being Rights Holder.

The controversy regarding the discrepancy and issues should not remain limited to statistics because the medical infrastructure in the state clearly reveals a far bleaker scenario. An analysis based on state government figures shows that one hospital bed is available for every two villages. There are 18 lakh births in the state every year and out of that 8.84 lakh births take place in poor families, but out of that only 3.5 lakh could be covered under the maternity schemes. And various macro studies show that the expenditure on health is a biggest cause of indebtedness among the tribal people. The government provides only Rs 160 per person per year as health budget, of which Rs 126 is spent on salaries and other infrastructure costs.

In the collapsed health system even doctors do not want to work, interestingly in last 4 years average post of 39 CMHOs have been filled by in charge doctors, so that they could be exploited by the authorities. Only 137 posts of gynecologists and obstetricians are approved in the entire state, many of which were vacant for years. After a long battle, the government began the process of filling the vacancies last year: 78 posts of gynecologists and obstetricians, and 112 posts for anesthetists. But only 31 applications were received for the former and only 12 anesthetists' posts could be filled.

Recent incidents, especially Income Tax department raids on top level health department officials and minister, shows the truth, shockingly an amount of 200 crore has gone into the pockets of officials and leaders. Corruption in sectors like Health and Women-Child Development is not merely an example of eating money by the authorities, but this corruption eats the Hundreds thousand

lives every year, especially in the poor and the most marginalised sections of the society. One needs to co-relate the levels of corruption and bad health indicators. Madhya Pradesh is the biggest contributor all together in Infant, Child and Maternal deaths in the world. Pervasive corruption at all levels is making conditions far more dangerous for pregnant women. This is partly rooted in the government's new policy of centralised purchase of medicines. As a result, most of the Rs 700 provided to a pregnant woman under the Janani Suraksha Yojana (Protection of Mothers Scheme) is spent on bribing the local health staff. In these circumstances poor community is forced to opt the option of private health care, which limits the options of freedom in the life.

Despite unreliable data, government statistics show that out of 14.7 lakh maternal deaths and deaths due to reproductive health complications in the world every year, 97,000 are from Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh, also known as the four BIMARU states, and the three newly carved ones of Jharkhand, Chhattisgarh and Uttaranchal. This figure has been corroborated by the World Health Organisation (WHO). Half of the maternal deaths in south Asia are contributed by India's states of Rajasthan, Madhya Pradesh, Bihar, Uttar Pradesh and Orissa.

The worst luck is the fact that the development visionaries who consider Sensex and Gross Domestic Product as the most important indicator of Development feel that the governments need not to worry about the Hungry children, and even political parties should talk about the Growth based development, and should stop spending subsidies on issues like child protection. They should invest this money for Market development and their (State's) subsidies to the Big Money Making Corporations will create employment and eliminate Chronic Hunger and all kinds of inequality in the Society. Their argument that these schemes are waste of resources and it leads to the community becoming dependant on government and developing habit of eating out of spoon. They say that people should be taught to work hard, but forget that if one is afflicted by malnutrition in childhood and 80 pc of mental and physical growth is stunted and they cannot contribute to process of development in adulthood. In such situation, the development visionaries in the political lobbies would have to talk on child malnutrition as one of the major political issues, but the concern is that it should not be too late by time they decide to do so. Unfortunately MP could not get politicians like K. Kamraj or M G Ramchandran of Tamil Nadu, who considered nutrition of children as basic indicator of development and thus the ICDS, is one of the best run schemes in Tamil Nadu.

A debate is on over the issue but lack of political commitment is apparent. There is need for a comprehensive policy and coordinated effort for child and maternal health care instead of grandiose schemes to please the politicians. There is a need to make a call to the middle class of the society that they should not discard the need of public health services. It is very essential for the poor children today and they (children in middle class) will also need it badly tomorrow.

We should understand that principally we believe in a people's democratic system, where any change can come through political process, but presently the system is becoming tolerant to the extent of being salient on the continuous child deaths. The system is totally silent in political context on the issue of death of children due to malnutrition. Some violent protests are visible but majority of them are personal cases where some scenes are made in hospital premises when children



from powerful families die, but it is limited to that. There is no demand or protest beyond that. The issue sometimes finds mention in comfort zones, some researchers and thinkers are working on it, but no political movement is visible on the issue. Children are dying to see their right to nutrition on the pages of election manifesto.

### **Integrated Child Development Scheme (ICDS)**

It is just not a coincidence that Madhya Pradesh tops the list with highest Infant Mortality Rate (IMR), Lowest life expectancy of 57.7 Years in comparison to Indian average of 63.2 years and also staying top in list of Indian with 60 percent malnutrition among children under the age of 5 years and further more International Food Policy Research Institute's report based on Hunger Index has kept Madhya Pradesh in place between two most poor and food insecure countries - Ethiopia and Chad.

Children under the age of six years constitute for 16% of the total population of India, but there is just one scheme to protect and provide their right to survival and development. Integrated Child Development Services programme has main focus on catering the need of children under the age of six years through supplementary nutrition, health care and pre-school education. It also covers adolescent girls, pregnant women and nursing mothers. It was started by Government of India in 1975 with the following objectives;

- To improve nutritional and health status of children below six years age.
- To lay down the foundation for proper psychological, physical and social development of the child.
- To reduce the incident of mortality, morbidity, malnutrition and school dropouts.
- To achieve effective co-ordination of policy and implementation among various departments to promote child development.
- To enhance the capability of mother to look after the normal health, nutritional and developmental needs of the child through proper community education.

### **Implementation of ICDS in Madhya Pradesh**

Women and Child Development department is the nodal department for implementing ICDS scheme. Medical and Public Health department is given the responsibility of immunisation of children under health services.

Basic services provided under ICDS can be categorised under three heads namely, nutrition, health and pre-school education. In nutrition services there is supplementary feeding, growth monitoring and nutrition and health counseling. Health services include immunisation, basic health care and referral services. Under Pre-school education various stimulation and learning activities are covered at the anganwadi.

Different services under ICDS are provided through 'Anaganwadis' a network of ICDS centers. Anganwadi Worker (AWW) is assigned with the responsibility of operating anganwadi. They are supported by an Anganwadi Helper (AWH).

Each anganwadi centre is supposed to cover a population of 1000 persons around 200 families. The new norms for opening and anganwadi are as follows:

Criteria for Anganwadi Centers*		
Sr no	Area	Determined necessary population
1	Rural and Urban Area	One anganwadi centre per 400-800 population
2	Tribal area	One anganwadi centre per 300-800 population
3	Rural and Urban Area	One mini-anganwadi centre per 150-400 population
4	Tribal area/hamlets	One mini-anganwadi centre per 150-300 population

\* Source: Administrative Report, Department of Women and Child, GoMP, 2007-08

State government's rates of supplementary nutrition provided in the anganwadi centers are as follows:

Nutritional Entitlements*				
Sr. no	Beneficiary	Rate	Quantity of Protein to be made available	Quantity of Calorie to be made available
1	Children (6 months to 6 years age)	Rs 2.00 per child per day	10 gm	300 calorie
2	Severely malnourished children (6 months to 6 years age)	Rs 2.70 per child per day	20 gm	600 calorie
3	Pregnant and lactating mothers and adolescent girls	Rs 2.30 per beneficiary per day	20 gm	500 calorie

\* Source: Administrative Report, Department of Women and Child, GoMP, 2007-08

## Coverage of ICDS in Madhya Pradesh<sup>1</sup>

- Total population (under the age of 6 Years) - 1.078 Crore
- Total Children covered under SNP - 4390624<sup>2</sup>
- %age children covered - 40.72%<sup>3</sup>
- Total pregnant and lactating women - 36 Lakh<sup>4</sup>
- Actual benefited women in this category - 949874
- %age of women covered - 26.5%

1 Note has been prepared by Right to Food Campaign Support Group Madhya Pradesh. mprighttofood@gmail.com

2 Administrative report 2007-08, Department of Women and Child Development, Govt of MP, Page 17.

3 Administrative report 2007-08, Department of Women and Child Development, Govt. of MP, Page 17.

4 Calculated as per the population growth rate 3.2% per year in Madhya Pradesh. It includes 24 lakh pregnant women and 12 lakh lactating women.

***The Truth of Universalisation of ICDS*** - Supreme Court of India in its order dated 29<sup>th</sup> April 2004 mentions the definition of Universalisation of ICDS by saying that all the Children under the age of 6 years, all the Pregnant and Lactating Women and All the Adolescent Girls must be provided with all seven services from the ICDS center, but latest report from DWCD provides information that still 60% children and more than 73% eligible women are out of the focus.

***Medicine Kit***<sup>5</sup> - It is an essential component of the ICDS services, where Anganwadi worker has been trained to provide initial medicinal support for Itching, Injury, De-warming etc through Medicine Kit Component. Department of Women and Child Development was allocating Rs. 2165000.00 in the Year 2006-07 but next Year (in 2007-08) it was reduced to the level of Rs. 100000.00 and in present year also this low allocation of Rs. 100000.00 is continuing. It means State Government has a plan to address Small health problems by allocating just Rs. 1.44 for each anganwadi center. In other words Department allocates less than 2 Paise for one beneficiary in ICDS scheme in Madhya Pradesh.

***Targeted population Vs Actual Coverage*** - As per the Latest Monthly Progress Report (MPR for the month of May' 2008) available on the website of Department of Women and Child Development shows that the total population of Children under 6 Years is 8696008, but as per the Census 2001, the population of this age group is 1.078 Crore. It means the existence of approximately 2.1 Million Children is still out of the focus.

Even in this case only 4528911 Children (42% of actual population) under the age of 6 Years have been covered for Supplementary Program.

When the implementation and coverage analysis in terms of budget provision was done, it is found that only Rs. 0.84 per beneficiary have been allocated in Madhya Pradesh, but the claims of spending of Rs. 2 per beneficiary is the key statement in all the responses released from the State Government. On the other side, if we believe that Government has spent Rs. 2 per beneficiary per day in this budget, then it means all the covered (not actual population) beneficiaries will get Supplementary Nutrition for 126 days in a year, whereas it should have been for at least 300 days in a year, as per the Supreme Court Order. Complete negligence and Violations are seen in SNP program!!

***Human Resources: Vacant posts, a bitter truth*** – In ICDS program, Child Development Project Officer (CDPO) is a key person to ensure the proper implementation of ICDS services. This person is a bridge between filed functionaries and the policy makers. Presently Madhya Pradesh has 366 approved/sanctioned posts of CDPO, but according to the MPR (May 2008), 85 CDPO posts are lying vacant and in most of the places Supervisors have been put in charge for these posts.

Story continues with the post of ACDPOs, where only 42 officers are posted, against the 114 sanctioned posts. It means 72 posts are still vacant.

Supervisor is the closest capable office to the Anganwadi worker. Supervision of the functioning, quality of services, proper growth monitoring processes, Immunisation and Pre-School education

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5 Budget Book – Demand for Department of Women and Child Development for the Year 2008-09 page 24.

program are being implemented with spirit has to be ensured by Supervisors by doing 2 visits every month to each anganwadi center and by giving technical inputs. But 283 posts of Supervisors are lying vacant. There are 2681 posts sanctioned, but 2398 are filled. In this case one Supervisor has to look after 29 anganwadi centers and in any condition she has no possibility left, where she can do her job.

In ICDS, CDPO is responsible for the holistic performance of the scheme at the Project level. They have to ensure that all the services are being provided to all the beneficiaries. CDPO monitors that records are properly maintained and Supplementary Nutrition is available in the center on a regular basis. It is for sure that ICDS can not deliver the services with spirit until coordination among different Departments, especially with Health Department is made. CDPO from the Department of Women and Child Development is the key official to establishing the environment for coordination with other departments. And most importantly they have to prepare monthly performance report of the project and submit it to the Upper level officials. CDPOs are the key responsible person for anything happens in the project, they are caught in BAD situations normally, but there is no system or size of project is defined anywhere!!

Surprisingly during the analysis it is found that 138 CDPOs are responsible for more than 200 Anganwadi centers, as 138 projects are created by establishing huge number of Anganwadi centers. More surprisingly 16 projects or CDPOs are covering 300 or more than 300 Anganwadi Centers. Their area of work varies from 51 in Ashok Nagar Urban project, 67 centers in Harda Urban and Datia Urban to 536 Centers in Sidhi Rural, 409 in Chittangi project or 384 in Petlavad project.

## Budget for Nutrition<sup>6</sup> - A Deteriorating Condition

It is no matter of debate that Children's right to survival and development is evidently restricted by the policies and political negligence in Madhya Pradesh. Infant mortality rate in MP is one of the highest in the country besides other states like Orissa, Uttar Pradesh, Assam and Rajasthan. Incidence of infant mortality is much higher in rural areas when compared to urban areas. Infant mortality whether in rural or urban areas in MP is far below the national level figures.

Infant Mortality in MP – Far from compression*			
	Total	Rural	Urban
<b>MP</b>	72	77	50
<b>India</b>	55	61	37

\* SRS Bulletin, VOLUME 43, NO. 1. Released in October 2008

### Growth of Children in MP

The following table throws light on the comparative nutritional status of children in MP using data for the few indicators as given by the NFHS rounds.

6 SNP – Supplementary Nutrition Program

It is amply clear from the above table that children in MP are faring only in indicators. The proportion of stunted children has reduced from 49 percent to 40 percent between the two rounds of NFHS. Stunted growth is the reduced growth rate in human development. It is primary manifestation of malnutrition in early childhood, including malnutrition during fetal development brought on by the malnourished mother. Children who fall below the fifth percentile of the reference population in height for age as defined as stunted, regardless of the reasons.

	Stunted	Wasted	Underweight
NFHS-2	49	20	54
NFHS-3	40	33	60

On the other hand data emerges a contrasting scenario where the proportion of wasted (measured in terms of weight for height) and underweight (measured in terms of weight for age) children has rather increased over a previous NFHS figures. At present there are 33 percent children are wasted and around 60 percent children are underweight in MP according to NFHS-3. Adding to the worst the proportion of children who are anemic in the age group 6-35 months has risen from 71.3 percent in NFHS-2 to the level of 82.6 percent in NFHS-3. The empirical evidences unambiguously spelt out the deteriorating condition of the child nutrition in MP despite the state government's make-believe estimates about malnutrition in the state.

### The Coverage under Nutrition Programme

At present, in Madhya Pradesh, there are 367 Child Development Projects are sanctioned by GoI. Under these projects 69238 Anaganwadi centres have been sanctioned. Out of which through 67770 functional anaganwadi centres 'Supplementary Nutrition Programme' is being currently implemented. The programme is serving around 53, 40, 498 beneficiaries. This include 43, 90,624 children and 9, 49,874 pregnant and nursing mothers. The statistics is given in administrative report for women and child development department for the year 2007-08.

**Universalisation of ICDS : A Legal Obligation** - Supreme Court in its order dated 29<sup>th</sup> April 2004, directed the government to "Universalise" the ICDS the programme. **Universalisation of ICDS means every hamlet should have a functional anganwadi, and that the full range of ICDS services should be extended to every child under six, every pregnant or nursing mother and every adolescent girl.**

Prior to Supreme Court's order also, ICDS was intended to serve all the sections of the population with main focus on children under the age of 6 years in both urban-rural areas. But even then Governments (State and Central Government) are directly or indirectly pushing the BPL criterias to limit the coverage by ways and means. In this context Supreme Court has clearly mentioned that no criteria should be used in ICDS and ICDS should cover all the children under age six in both rural and urban areas and not just the BPL children. Thus all the malnourished children irrespective of caste, below poverty line status and whether in rural or urban area should be covered.

## Resource Gap Analysis in the context of Universalisation of ICDS

### 1. Required number of Anganwadi Centers

Projected population for Madhya Pradesh for 2007-08 is 68666478 that is around 6.87 Crore<sup>7</sup>. As per government norm one anganwadi centre can be opened per 400-800 population. Considering the maximum population of 800, there is a need of at least 85,833 anganwadi centers in MP. But going by the coverage figures given by WCD, GoMP, there is a gap of around 19.33 percent between required and sanctioned one. The gap increase to 21.04 percent when taken into consideration the number of functional anganwadi centers.

#### Gap between the required number of anganwadi centers and the sanctioned one

Required Number of Anganwadi Centre	85833	Required Number of Anganwadi Centre	85833
Sanctioned anganwadi centers	69238	Functional anganwadi centers	67770
<b>Gap</b>	<b>16595 (19.33%)</b>	<b>Gap</b>	<b>18063 (21.04%)</b>
Hamlet-wise Number of anganwadi centers <sup>4</sup>	127397	Hamlet-wise Number of anganwadi centers	127397
<b>Gap</b>	<b>58159 (45.00%)</b>	<b>Gap</b>	<b>59627 (46.80%)</b>

Going by Supreme Court's order for universalisation of ICDS, there should be a functional anganwadi centre in every hamlet. Numbers of hamlets in Madhya Pradesh are around 1.27 lakhs<sup>8</sup>. In that case MP should have 1.27 lakhs functional anganwadi centre in the state. When compared with sanctioned number of anganwadi centers the gap is of 45 percent which gets wider further to around 47 percent in comparison with number of functional anganwadi centers.

This gap has to be fulfilled if one wishes to curb the present malnutrition status.

### 2. A truth of beneficiaries covered

The projected population of children in age group 0-6 for Madhya Pradesh is 12081967, that is 1.20 crore approximately<sup>9</sup>. The prevalent rate of malnutrition in the state, according to 10<sup>th</sup> round of Bal Sanjivani Abhiyan is 47.5 percent. Going by this there are around 57.39 lakh (57, 38,934) children in the state are suffering from malnourishment. State government is claiming that 43, 90,624 children are covered through ICDS programme. **Using above statistics it is amply clear that the government has actually reached only 76.51 percent malnourished children. Yet, around one fourth (around 23.5 percent) of the malnourished children have not been covered or reached**

7 Projected population for the state for 2007-08 has been calculated by applying growth rate on the projected population figure of 2006 as provided by the Census of India.

8 Source: National Habitation Survey, GoI, 2003.

9 Projected population for the age group 0-6 for 2007-08 has been calculated on the basis of 2001 population and then by applying the growth rate provided by Census of India.

**until 2007-08.** Going by universalisation norms of ICDS, Hence the cases of child malnutrition flashing in the news papers would not be a surprise then.

There happen around 24 lakh deliveries (both institutional and non-institutional) in Madhya Pradesh every year. It means there are around 24 lakh pregnant women per year<sup>10</sup>. It is considered that out of the total deliveries taken place by latest; approximately 33 percent are the lactating mothers. Then in case of MP, there would be around 8 lakhs of lactating mothers in a year. Thus taken together the population of pregnant women and nursing mothers would be 32 lakhs per annum. However, as claimed by the WCD, GoMP, they are reaching out only 9.5 lakhs beneficiaries in this group. **Thus the total coverage of pregnant women and nursing mothers in MP is shameful to around 30 percent only.**

Besides, the administrative report of Women and Child Development Department does not talk about any coverage of adolescent girls in the age group 11-17, under ICDS, when they are included in the beneficiary group. According to estimates of demographers, the adolescent girl's population constitutes 10 percent of the total population. **Thus ICDS programme is out of reach of the roughly 68 lakh adolescent girls in the state, which is a complete violation of Supreme Court's directions ordered four years back.**

### 3. The Sorry State of Budget Allocation for Nutrition

Whatsoever is the government's allocation made for the nutrition has to be tested for the adequacy. It should also be judged whether or not the budgetary allocations made are in the tune with the guidelines given by Supreme Court. We have attempted to find answer to the question posed above.

Considering that the expenditure incurred at an anganwadi is Rs 2 per child per day and in a year around 300 days the supplementary nutrition is provided at the anaganwadi centre. As calculated earlier there are around 57.38 lakh malnourished children in the state.

### 4. Resource Gap for Nutrition in 2007-08

Targeted Beneficiary	Numbers (in Lakhs)	Current Coverage	Shortfall in the coverage	Required budgetary Allocation (in Rs Crore)
All the children in the age group (0-6)	120.00	43.90	76.10 (63.41%)	720.00
Expectant and Lactating Mothers	32.00	9.50	22.50 (70.31%)	192.00
Adolescent Girls	64.00	Nil	64.00 (100.00%)	408.00
Total	220.00	53.4	166.60	1320.00

<sup>10</sup> Calculated as per the population growth rate of Madhya Pradesh.

- The total budgetary requirement exclusively for nutrition or food component only would be Rs 1320 crore for 2007-08.
- However, total budgetary allocation by the government for nutrition is at Rs 320 crore in 2007-08. Out of which allocation for nutrition or food component is Rs 255.54 crore (80 percent) in 2007-08.
- Thus the present allocations would be able to fulfill only 19.35 percent or one fifth of the requirement which a very miniscule proportion considering the severity of the problem.
- Based on the revised estimates for 2007-08, government is actually ended up spending Rs 212.89 crore on 53.40 lakh beneficiaries in the state. It means per beneficiary expenditure comes to only Rs 1.33 per day in 2007-08 as against the Supreme Court's order of spending at least Rs 2 per beneficiary per day.
- If we considered the total budgetary requirement inclusive of administrative cost and other expenditure the figure turn out to be Rs 1650 crore for 2007-08 as against the budget allocation of Rs 535 crore taking together the allocations made under SNP and ICDS.
- It can be inferred from the analysis that the budget allocations for the nutrition should be more than the present allocations, if the government is serious about fighting and eradicating malnutrition from the state.

## 5. Response of the State Government through Budget Allocations

A detail of Government's investment on the nutrition is given in the following table. From the budget heads Major Head 2236 titled Nutrition was selected. Further its Sub Major Head [02] titled- Distribution of Nutritive food and liquid material and Minor Head {101}- Special Nutrition Programme (SNP).

<b>Budget Allocations for Special Nutrition Programme (in '000 Rs)*</b>				
Sr. no	Name of scheme	2005-06	2006-07	2007-08
1	SNP- General	1350725	2167654	2195499
2	SNP- TSP	155800	340074	555000
3	SNP- SCP	240000	424889	450000
	Total	1746525	2932617	3200499

\* Source: Budget Books, Volume III, GoMP, for various years

It is evident from the table that the government's allocation on nutrition has been more than doubled, (increased by 67.9 percent) from 2005-06 to 2006-07. But the rapidity of increased proportion has declined drastically to miniscule of 9.1 percent from 2006-07 to 2007-08. Not only the state governments outreach is poor but also the budget allocation is not the progressive one in terms of severity of the problem. Perhaps that is the reason why the malnutrition is more prevalent in the state. **The startling feature of the budget allocation is that there is slight increase in the**



allocations under SNP general and SCP from 2006-07 to 2007-08. This trend would definitely have a repercussion on the nutritional status of beneficiaries particularly, general population and scheduled caste population in the rural areas, where the problem is most importunate. Differently in case of SNP-TSP the allocations has sharply increased by 38.72 percent in 2007-08 over previous a year owing to the fact that more allocation is needed in tribal dominated areas due to its less developed nature. The point to be noted over here is that this budget includes administrative expenditure as well as the expenditure on nutrition and other components as well.

**5.1 Budget Estimate and Actual Expenditure for SNP (Fig in ‘000 Rs)**

The following table gives the details of actual expenditure incurred against the budget allocation made for the nutrition in MP.

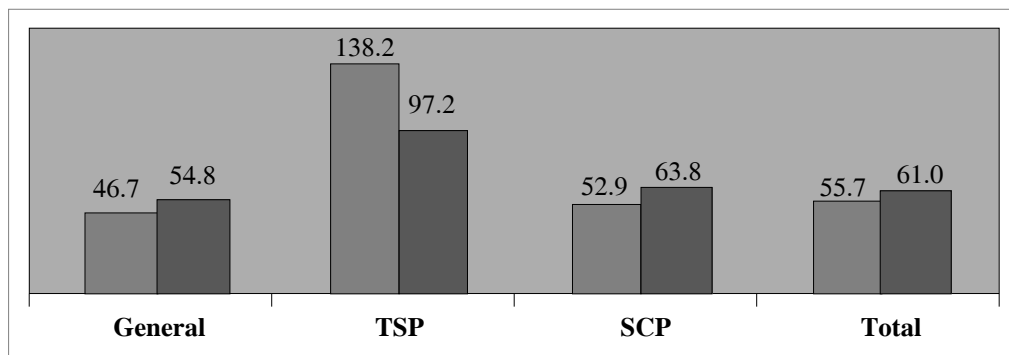
Allocations for Supplementary Nutrition*							
Sr no	Name of scheme/ Activity	2005-06 BE	2005-06 Actual	2006-07 BE	2006-07 Actual	2007-08 BE	2007-08 RE
1	SNP- General	1350725	630632	2167654	1187356	2195499	2189729
2	SNP- TSP	155800	215293	340074	330447	555000	555000
3	SNP- SCP	240000	127042	424889	271029	450000	450000
	Total	1746525	972967	2932617	1788832	3200499	3194729

\* Source: Budget Books, Volume III, GoMP, for various years

**5.2 Budget Utilisation**

The following chart elucidates the status of actual expenditure incurred by the state government on SNP. The chart speaks about the performance of the state government on the ground of efficiency with which government is utilizing the allocated money for the said purpose. This angle needs to be explored in detail from the point of view that government just can not skip of its responsibility by merely allocating the funds, but the actual utilisation of resources for the cause of public welfare is definitely a major issue of the accountability of the state government towards its citizens.

**Actual Expenditure on SNP as a Proportion of Budget Estimate**



The above chart depicts a very disheartening picture of utilisation of public funds. The overall actual expenditure although has increased in 2006-07 over the previous year, its utilisation rate is very poor. **The WCD department has been able to utilised only 61 percent of its budget allocation leading to exorbitant savings of around 40 percent.** Similar trend is observed in case of budget utilisation for the general category and the utilisation for dalit population. It is only the utilisation for the tribal population showing at par budget utilisation on paper. But the ground realities have many more reasons to question the performance. It's a total underutilisation of the allocated funds indicating lack of efficiency of the concern government functionaries and their insensitiveness towards the prime issue in the state.

## 6. ICDS in budget books

To locate ICDS scheme in the budget books, one has to search for the Major Head 2235- titled Social Security and Welfare with Sub Major Head [02]- Social Welfare, Minor Head {102}- Child Welfare and then the Sub Head (658)-ICDS. Details of ICDS budgets are given in the following table.

It is evident from the table that the budget allocation for ICDS has increased by almost 58 percent from Rs 104 crore in 2005-06 to Rs 253 crores in 2008-09. Budget allocation for 2007-08 shows the highest annual increment of about 63.2 percent over the previous year. Similarly, in the year 2006-07, both revised estimates and actual figures shows tremendous increase over of 85.4 % and 116.4 % respectively over the previous year.

As far as budget allocation part is concerned over here the things are doing fine but the real crunch is noticed when it comes to budget utilisation. The performance in the budget utilisation is definitely on the lower side. There were unutilised funds to the tune of around 30 percent and 20 percent respectively in 2005-06 and 2006-07, although the utilisation proportion has increased in 2006-07 over the previous year.

However, the work does not really stopped here; the numerous reasons for the underutilisation and the major defaulters needs to further investigated using both primary and secondary research.

Interestingly, under the object head of the ICDS programme # 34- Material and supply a fund of Rs 28 crore has been booked under the detail head 009- other expenditure in 2008-09. While if one compared these heads with that of Nutrition, its 004- value of ration or nutrition expenditure, with allocation of around Rs 216 crore. Therefore question arises out here is that whether it's a same nutritional component of ICDS or the something else? The fact needs to be corrected before going for detailed analysis.

<b>Budgets of ICDS (Figs in'000 Rs)*</b>			
<b>Year</b>	<b>Budget Estimates (BE)</b>	<b>Revised Estimates (RE)</b>	<b>Actual (AC)</b>
<b>2005-06</b>	1048532	1065815	736131
<b>2006-07</b>	1322567	1976338	1593090
<b>2007-08</b>	2158264	2371907	
<b>2008-09</b>	2530617		

\* Source: Budget Books, Volume III, GoMP, for various years

### **6.1 Latest addition**

State government has launched another programme “Project Shaktiman” by the in 2007-08. Main objective of the programme is to eradicate malnutrition completely among the children of tribal dominated villages and other villages, as well as among the women. Presently, 39 blocks of 19 districts have been chosen for the implementation of the programme. On an average each anaganwadi centre provides nutrition of Rs 2 per child per day. But under the programme Project Shaktiman, state government from its side providing additional Rs 4, thus under the programme the expenditure on children would be Rs 6 per child per day. The names of the districts are: Vidisha, Dhar, Jhabua, Khargone, Barwani, Shadol, Anuppur, Umaria, Betul, Mandla, Dindori, Seoni, Balaghat, Sheopur, Shivpuri, Ashoknagar, Hoshangabad, Harda and Chhindwara. Government has set the target of reaching around 60,000 children.

Although the programme has been launched in 2007-08, the concomitant budget allocations were found only in the year 2008-09, indicating a year’s lag in actual programme implementation. Government has made allocation of Rs 16 crore for Project Shaktiman.

### **6.2 Criticism by CAG**

CAG in its report for 2005-06 had scorn off openly at the WCD of Madhya Pradesh government on poor implementation of ICDS while mentioning its observations. Some of the CAG remarks are summarised as follows:

Impact of welfare schemes for women and child was marginal on the health and nutritional status of children as more than 55 percent of children were malnourished in the state.

- 1 Nutritional support could not be provided to eligible beneficiaries due to low budget provisions.
- 2 Substantial and persistent savings were registered owing to poor budgetary and expenditure control.
- 3 Large number of posts remaining vacant and improper manpower planning affected implementation and monitoring of the scheme.
- 4 Due to inadequate budget provision and delay in the release of funds to districts offices, 52 to 62 percent children and 46-59 percent expectant and nursing mothers were remained deprived of the nutritional support.

## **Finally**

It is the fact corroborated from the analysis once again that the pace of implementation of the nutrition programme is despicable, not only it can be overlooked as the routine poor implementation but needs a thorough brainstorming. Government has failed in preventing malnutrition deaths. The responsible agencies must be held accountable for the shameful deeds for the sake of saving the children from the deadliest situation. There is a complete violation of the Supreme Court’s directions as far as beneficiaries covered and the amount being spent per beneficiary. Even after the four years of Supreme Courts orders the budget allocation are not proportionate to the needs of beneficiaries.

One has to be very clear their mind that this overwhelming situation has not spurted out in a day or two but is out of sheer negligence that has been carried out in since the past. Our understanding of the issue compel us to say that the lack of political commitment toward the children's right to survival does not allow our system to look into budget allocation and accountable expenditures. We must acknowledge that fact that, if our political leaders and representatives do not have sense of prioritisation of the issues, then question of budget will have no importance. We may say that budget is lacking, and more allocation may be a demand but we also need to analyze that is already allocated budget is being properly used?? No, there are many other questions to be addressed, which are not only linked to purely budgetary allocations, but they are linked to the Political Culture, Political Priorities and Political Economy.

## Judicial interventions in ICDS

In April 2001, People's Union for Civil Liberties (PUCL, Rajasthan) submitted a writ petition to the Supreme Court of India seeking enforcement of the right to food. The basic argument is that the right to food is an aspect of the fundamental "right to life" enshrined in Article 21 of the Indian Constitution. Indeed, the Supreme Court has made it clear that the right to life should be interpreted as a right to "live with dignity", which includes the right to food and other basic necessities.

The public interest litigation initiated by the PUCL petition is known as "PUCL vs. Union of India and Others, Writ Petition (Civil) 196 of 2001". The final judgment is still awaited, but meanwhile, the Supreme Court has issued a series of "interim orders" aimed at safeguarding various aspects of the right to food. The first major order, dated 28 November 2001, directed the government to fully implement nine food-related schemes (including ICDS) as per official guidelines. In effect, this order converted the benefits of these schemes into legal entitlements. It also directed the government to "universalise" the programme. This means that every hamlet should have a functional Anganwadi, and that ICDS services should be extended to every child under six, every pregnant or nursing mother, and every adolescent girl. The Court directives relating to ICDS, however, received very little attention for several years. Virtually nothing was done to implement them until April and October 2004, when several hearings on ICDS were held in the Supreme Court and further orders were issued. For instance, the Supreme Court explicitly directed the government to expand the number of anganwadis from 6 lakhs to 14 lakhs, to ensure that every settlement is covered. The Supreme Court orders of April and October 2004 gave a useful wake-up call to the government. The universalisation of ICDS was included in the National Common Minimum Programme of the UPA government in May 2004. The National Advisory Council submitted detailed recommendations for achieving "universalisation with quality" in October 2004, as well as follow-up recommendations in February 2005. The expenditure of the Central Government on ICDS was nearly doubled in the Union Budget 2005-6. However, there has been relatively little progress in terms of the situation on the ground. The expansion of ICDS is quite slow, and in most states there is little evidence of substantial quality improvement. This reflects the fact that Supreme Court orders and budget allocations are not enough. Ultimately, what is required is a broad based movement for the universalisation of ICDS, involving not only the government but also the public at large. As per the Supreme Court recommendations, under the consolidated child development program the children under 6 years of

age should be provided supplementary food on regular basis and they should be given 30 calories or 8 to 10 grams of food containing proteins, if the case is of malnourishment than the child should be given double amount of stated meals. But the ground reality is that in the tribal populated area this problem is ignored and thus supplying double amount of supplementary meals is not possible for the anganwadis because the supply of raw material to anganwadis from the government itself is not in accordance with the increased demands.

If we see the budget allocation for supplementary nutrition food, we will find that though the Apex Court has ordered for allocation of Rs. 2/-per child per day and the State government is providing the same budget also but the interesting point to be noted is that there is no provision or allocation of extra budget for the transportation of SNP. It means that the expenditure of transportation and fuel for the same are also included in this amount of Rs. 2/- per day per child! Ultimately decreasing the per child expenditure on food.

The SC Commissioners have also tried to raise the issue of malnutrition and non-compliance with the Court's orders in many letters to the State Government, but have received no response. And the malnutrition deaths continue!

### Supreme Court Orders on ICDS

A significant amount of public attention has been drawn to the ICDS in recent years. This is partly due to interim orders passed by the Supreme Court in the 'right to food case', a writ petition currently pending before the Supreme Court of India (Civil Writ Petition 196/2001, People's Union for Civil Liberties v. Union of India and others). In this writ petition, the Supreme Court has taken the view that the denial of the 'right to food' amounts to the denial of the fundamental 'right to life and personal liberty' enshrined in Article 21 of the Constitution of India. The ICDS has since been recognised as central to safeguarding the 'right to food' of young children (up to six years of age), pregnant women, nursing mothers and adolescent girls. The noteworthy orders are highlighted here.

#### Order dated 28 November 2001

Each child up to 6 years of age is to get

- 300 calories and 8-10 grams of protein.
- Each adolescent girl to get 500 calories and 20-25 grams of protein.
- Each pregnant woman and each nursing mother to get 500 calories and 20- 25 grams of protein.
- Each malnourished child to get 600 calories and 16-20 grams of protein.
- Every settlement is to have a disbursement centre (Anganwadi).

#### Order dated 29 April 2004

- All 0-6 year old children, adolescent girls, pregnant women and nursing mothers shall receive supplementary nutrition for 300 days in the year.

#### Order dated 7 October 2004

- The number of Anganwadis shall be increased from 6 to 14 lakh.
- The minimum norm for the provision of supplementary nutrition should be increased to Rs. 2/- per child per day.
- All sanctioned Anganwadis shall be operationalised immediately.

- All SC/ST habitations shall have Anganwadis as early as possible, and habitations with high SC/ST populations should receive priority in the placement of new Anganwadis.
- Earnest efforts should be made to cover all slums under ICDS.
- ICDS services should never be restricted to BPL families (“BPL shall not be used as an eligibility criterion for ICDS”).
- Contractors shall not be used for the supply of supplementary nutrition.
- Local women’s Self-Help Groups and Mahila Mandals should be encouraged to supply the supplementary food distributed in Anganwadis. They can make purchases, prepare the food locally, and supervise the distribution.
- The Central Government and States/UTs shall ensure that all amounts allocated are sanctioned in time so that there is no disruption whatsoever in the feeding of children.
- ICDS funds provided by the Central Government under the Pradhan Mantri Gramodaya Yojana (PMGY) should be fully utilised by the State Governments. Further these funds should supplement, and not substitute for, ICDS funds provided by the State Governments.
- All State Governments/UTs shall put on their websites, full data for the ICDS programme including where AWCs are operational, the number of beneficiaries category-wise, the funds allocated and used, and related matters.

#### **Order dated 13 December 2006**

This landmark judgement clearly orders the government to ensure “universalisation with quality” in a time-bound manner and further strengthen the entitlements of children under six.

- The universalisation of the ICDS involves extending all ICDS services (Supplementary nutrition, growth monitoring, nutrition and health education, immunisation, referral and pre-school education) to every child under the age of six, all pregnant women and lactating mothers and all adolescent girls.
- All 14 lakh AWCs shall be sanctioned and operationalised in a phased and even manner starting forthwith and ending December 2008. In doing so all SC/ST habitations must be identified on priority basis.
- Population norms for opening of AWCs must not be revised upward under any circumstances. While maintaining the upper limit of one AWC per 1000 population, the minimum limit for opening of a new AWC is a population of 300 may be kept in view. Further, rural communities and slum dwellers should be entitled to an “Anganwadi on demand” (not later than three months) from the date of demand in cases where a settlement has at least 40 children under six but no Anganwadi.
- The order also specifies the monetary allocation to be made per beneficiary under the ICDS scheme. The court instructs all State Governments and Union Territories to fully implement the ICDS scheme by, inter-alia—
  - Allocating and spending at least Rs. 2/- per child per day for supplementary nutrition out of which the Central Government shall contribute Rs. 1 per child per day.
  - Allocating and spending at least Rs. 2.70 for every severely malnourished child per day for supplementary nutrition out of which the Central Government shall contribute Rs. 1.35 per child per day.
  - Allocating and spending at least Rs. 2.30 for every pregnant woman, nursing mother/adolescent girl per day for supplementary nutrition out of which the Central Government shall contribute Rs. 1.15.
- Chief Secretaries of all State Governments/UTs are directed to submit affidavits with details of all habitations with a majority of SC/ST households, the availability of AWCs in these habitations, and the plan of action for ensuring that all these habitations have functioning AWCs within two years.

- Chief Secretaries of all State Governments/UTs are directed to submit affidavits giving details of the steps that have been taken with regard to the order of this Court of October 7th, 2004 directing that “contractors shall not be used for supply of nutrition in Anganwadis and preferably ICDS funds shall be spent by making use of village communities, self-help groups and Mahila Mandals for buying of grains and preparation of meals”. Chief Secretaries of all State Governments/UTs must indicate a time-frame within which the decentralisation of the supply of SNP through local community shall be done.”

Several of these orders are yet to be implemented in full by the Central and State Governments. The most significant amongst these are orders to ensure that all children from 0-6 years, pregnant and nursing mothers and adolescent girls have access to ICDS services and further that all settlements, especially SC/ST settlements have access to an Anganwadi. For further details see Supreme Court Orders on the Right to Food: A Tool for Action, available from the secretariat of the right to food campaign.

### **Ways to accountability in Democracy via Assembly and Parliamentary Elections**

## **Malnutrition in Politics - Action begins now!!**

An expensive election advertisement on Child Malnutrition, many points on child health and food insecurity in the assembly election briefings!! You may be surprised to know that Malnutrition among children is an issue being talked on loud speakers in Madhya Pradesh Assembly elections (2008). While working as social activists, on various forums we always encountered a statement about Children, that Child rights issues never become political issues. The argument behind this is – Children do not ask for their rights and can not fight by any political means, so it leads them in to political deprivation. Now we are in election maneuver in Madhya Pradesh and political parties have accepted that Malnutrition is an issue of Politics, so Government will also have to accept soon that Malnutrition kills children. Madhya Pradesh is in political debate now after numerous malnutrition related deaths in past 6 months among various tribal communities living in different parts of the state.

Repeatedly we say that it just not a coincidence that Madhya Pradesh tops the list with highest Infant Mortality Rate (IMR), Lowest life expectancy of 57.7 Years in comparison to Indian average of 63.2 years and also staying top in list of Indian with 60 percent malnutrition among children under the age of 5 years and further more International Food Policy Research Institute’s report based on Hunger Index has kept Madhya Pradesh in place between two most poor and food insecure countries - Ethiopia and Chad. Congress in Madhya Pradesh is using data of increasing Malnutrition from their own tenure and blaming present BJP government for the failure of Malnutrition eradication program. On the other hand BJP, which was campaigning aggressively on the success of welfare schemes, had to go to back foot because of evident and rampant corruption in Integrated Child Development Services (the one and only scheme for children under the age of 6 years) due the media and civil society pressure. In process based on Socio-Political Commitments of various community based organisations and their forums, groups like Right to Food Campaign and Madhya Pradesh Lok Sangarsh Saajha Manch adopted research based actions to take malnutrition issue forward in political scenario. It is worth mentioning that probably first time in election history of Madhya Pradesh Congress and Bhartiya Janshakti Party publicly talked on the issue and promised that they will give a malnutrition free state. In fact it is also important that media pressure pushed political

leaders and party office bearers to learn, read and discuss more about malnutrition in the State. In fact all the political parties categorically provided space for the issue on malnutrition in their manifestos; parties like Congress, Bhartiya Jan Shakti Party, Samajwadi Party, and Communist Party of India had to devote more than 20 points for this issue.

One must have a very fundamental argument on politicalisation of Child rights, why always party in power comes out with a political request to all fronts in action for no politics on child deaths but we see it is an example of political un-accountability towards non-voter society- Children community. In this context civil societies argue why there should be no politics on the issues of Child Survival. Even in the case of malnutrition, we are continuously seeing that the lack of infrastructure, non-availability of basic needs and more than any thing Budget crisis make situation more critical. All of these are the issues can be handled by the Government institutions, which follows the priorities decided by the political leadership. In the election phases we always perceive same issues of unemployment, roads, water crisis and electricity crisis become the central focus. And when any political group comes in power works with these priorities they talked about in election. In the present context for Congress as well it is very difficult to commit that we will give a Hunger-Malnutrition Free State by next election, because their own policy makers are promoting packaged food in Malnutrition Eradication programs. Although the main learning from the present political scenario in Madhya Pradesh assembly election (in which almost all the political parties are giving statements, organizing press conferences and releasing election advertisements on Malnutrition) tells us that Child rights issues can also be talked in Political languages.

The phenomena of more than 360 malnutrition deaths in just 53 villages of MP in period of 153 days was vigorously followed, researched and analyzed by the media and civil society organisations and this compelled political parties to talk on. Initially we saw some very formal and edgeless press statements started moving in the media circle, then parties come out with media talks through their secondary leadership and when atmosphere proved that issue will be alive for more than their expectations, then only policy statements came out form center of the party. One may not say this that they are insensitive but this is also important you need some specific study to talk on the issues like malnutrition deaths. And in past so many years this issue in spite of being very grave, [Madhya Pradesh contributes biggest number (193 Thousand deaths under the age of 5 every year as per the NDR, IMR, CDR data) of Neo-Natal, Infant and Child deaths in total number of deaths in India, never became a mainstream election issue, so no body bothered to study the facts and theories of it. Because of this even now it is only seen in the allegation politics, which needs to be corrected. Our very responsible ministers publicly say that Malnutrition does not become a cause of Child death; it is only disease killing the children. Now we must suggest our leaders should be passing through an induction education course on the priority issues of the state, when they join power. They (political groups) will have to be very cautious about the influence of market to introduce packaged meal or nutrition in ICDS centers, which will not contribute anything in the process, but companies will make profit from the malnutrition deaths and that will be celebration for them.

After that in parliamentary election in the year 2009, political parties like Congress and BJP deliberately included the issue of malnutrition in their election manifestos. In fact Congress (which



came back in power) mentioned that it will work in the direction of Universalisation of ICDS in time frame. Most importantly congress also made an commitment in their manifesto that they will come out with Right to Food Act, means food will be an legal entitlement for the different sections of the society. Now civil society organisations are working towards the inclusion of children's right to food issues with special focus.

Only proper implementations of Schemes like Integrated Child Development Services may not resolve the problem of Severe Acute Malnutrition in the society. The main cause behind malnutrition is directly linked to the wakening society. The livelihood insecurity, increasing exclusion and changing faces of poverty are the root causes of Chronic Hunger or Energy Deprivation. Every political party is going to talk on employment in their election manifestos, but will they show courage to make promise to provide community control over natural resources, honor to the community based knowledge to tackle malnutrition and inclusive social services with people's monitoring and governance? We have seen these poor families of tribal groups do not get their entitlements on time and if they wish to go for redressal of their complaints, there is no time limit, no window is their for them, because our government is only committed towards the Private sectors. Can their be the same one application, one recommendation, one window and one fixed period system for the most marginalised groups for their respectful survival as the State Government has established no hurdle system for multinational corporations?

Following the same agenda setting theory, media and civil society took up the issue of malnutrition as a collaborated movement, just to see that whether our political society is conscious or un-conscious in nature. Positively it took 4 months to say –Yes, it is still conscious. In the pre-election period, it is also observed that many more civil society networks and alliances came out with their own charter of demand or social manifestos for social change. Some of them are also building cadres and making community aware about the politics of exclusion and negligence. Now most of the thoughts are not talking about Government Services as merely charity from the state, but internalizing their demands by being loud on the rights front in political sphere.

# Protection of Child Rights: A Budgetary Perspective

*Sakti Golder\**

In the United Nations Convention on the Rights of the Child (UNCRC), it was reflected that children need a special convention just because they often require special care and protection that adults do not. It was also come up in the convention that the world must recognise well being and development of children as human rights too. The Convention spells out the basic human rights that children everywhere have: the right to survival; to develop to the fullest; to protection from harmful influences, abuse and exploitation; and to participate fully in family, cultural and social life. The four core principles of convention protect children's rights by setting standards in health care; education; and legal, civil and social services. These rights are inherent to the human dignity and harmonious development of every child. Apart from that the UNCRC regards the state as the agency responsible for the realisation of child rights.

For the case of India, it is well known that to ensure the survival, protection and development of the children is our constitutional commitment (see the Box 1).

## Box 1: Some of the Major Commitments for Children in India

**Article 21 A**—The State shall provide free and compulsory education to all children of the age of 6-14 years in such manner as the State may, by law, determine.

**Article 24**—No child below the age of 14 years shall be employed to work in any factory or mine or engaged in any other hazardous employment.

**Article 45**— The State shall endeavour to provide early childhood care and education for all children until they complete the age of six years.

**Article 243G (with Schedule 11)** – provide for institutionalisation of child care by seeking to entrust programmes of Women and Child Development to Panchayat (Item 25 of Schedule 11), apart from education (item 17), family welfare (item 25), health and sanitation (item 23) and other items with a bearing on the welfare of children.

In the post-independence era, both central and state governments initiated several policies/programmes for the overall development of the children. Yet, the significant deficits in the

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development of children in India are one of the major problems amidst high levels of economic growth that India has witnessed over the last one and a half decade. Over the years, India has succeeded in bringing down the Infant Mortality Rate (IMR) per 1000 live births from a level of 80 in 1990 to 55 in 2007. However, it is still much higher than the levels not only in developed countries but also in many developing countries, for instance Sri Lanka (15 in 2003) and China (37 in 2003). More importantly, the aggregate IMR for India hides a vast disparity prevailing across the states. The level of IMR still varies widely across the states, with the economically backward States, viz. Uttar Pradesh, Madhya Pradesh, Assam, Orissa, and Rajasthan recording very high levels of IMR above 60 per 1000 live births in 2007 according to Sample Registration System (SRS) Bulletin, 2008.

**Box 2: Highlights of Budgetary Allocations for Children in the recent Years**

- Union Government's total allocation earmarked for children has declined from 4.93 percent in 2007-08 (RE) to 4.13 percent of the total union budget in 2008-09 (RE).
- Sectoral priorities have remained unchanged. Within the total resources earmarked for children in union budget 2008-09 (RE), 71.8 percent is for Child Education, 16.2 percent for Child Development, 11.2 percent for Child Health and only 0.8 percent for Child Protection.
- This is very disturbing given that many recent cases have highlighted the vulnerability of children in the country, especially those children who are in various kinds of difficult circumstances. Even allocations in one of the major schemes namely 'Improvement in Working Conditions of Child/Women Labour' has declined to only Rs. 90 crore in the Budget 2009-10 (BE) compared to Rs. 156 crore 2008-09 (BE).
- There has not been any significant increase in the Budget 2009-10 in the major flagship schemes for children.

The National Family Health Survey III has revealed that vaccination coverage (among children aged 12-23 months) in India has improved very marginally from 42 percent in 1998-99 to 44 percent in 2005-06. Likewise, the progress in coverage of institutional deliveries has been very slow with only 40.7 percent coverage in the country in 2005-06. Moreover, the results from NFHS-III point to the disturbing fact that while the proportion of underweight children under 3 years was 47 percent in 1998-99, it still persisted at the level of 46 percent in 2005-06.

**Table 1: Key Indicators of Development Deficits of Children in India**

States	Infant Mortality Rate (Per 1000 Live Births)	Children Under Age 3 Who Are Underweight (in %)	Vaccination Coverage (in %)	Coverage of Institutional Deliveries (in %)	Dropout Rates in Class I - X
	2007	(2005-06)	(2005-06)	(2005-06)	(2004-05)
Uttar Pradesh	69	47	23	22	43.8
Chhattisgarh	59	52	49	15.7	*
Madhya Pradesh	72	60	40	29.7	64.7
Jharkhand	48	59	35	19.2	*

Assam	66	40	32	22.7	75.0
Orissa	71	44	52	38.7	64.4
Rajasthan	65	44	27	32.2	73.9
Bihar	58	58	33	22	83.1
Arunachal Pradesh	37	37	28	30.8	70.8
Andhra Pradesh	54	37	46	68.6	63.7
Tripura	39	39	50	48.9	73.4
Gujarat	52	47	45	54.6	59.3
Delhi	36	33	63	60.7	46.9
West Bengal	37	44	64	43.1	78.0
Jammu & Kashmir	51	29	67	54.3	53.8
Meghalaya	56	46	33	29.7	79.2
Karnataka	47	41	55	66.9	59.4
Uttarakhand	48	38	60	36	*
Haryana	55	42	65	39.4	32.5
Punjab	43	27	60	52.5	44.1
Nagaland	21	30	21	12.2	67.3
Maharashtra	34	40	59	66.1	54.2
Himachal Pradesh	47	36	74	45.3	32.4 #
Mizoram	23	22	46	64.6	67.0
Sikkim	34	23	70	49	82.3
Tamil Nadu	35	33	81	90.4	55.2
Manipur	12	24	47	49.3	43.0
Goa	13	29	79	92.6	40.7
Kerala	13	29	75	99.5	7.1
India	55	46	44	40.7	61.9

**Note:** Infant Mortality Rate (Per 1000 Live Births): Number of infant deaths per 1,000 live births in the last 5 years; Children Under Age 3 Who Are Underweight: Percentage of children under age 3 who are underweight (too thin for age); Vaccination Coverage: Percentage of children 12-23 months who have received all recommended vaccines; Coverage of Institutional Deliveries: Percentage of institutional births, based on the last 2 births in the 3 years before the survey.

\* Dropout rates are shown combined with the respective parent States.

# The dropout rate (Class I-X) figure for Himachal Pradesh is for the year 2003-04.

**Source:**

1. SRS Bulletin, Registrar General, India (for data on- IMR per 1000 live births)
2. National Family Health Survey (NFHS) - 3, *Provisional Data for India and 29 States (Fact Sheets)*, 2005-2006, downloaded from www.nfhsindia.org (Children under age 3 who are underweight, Vaccination Coverage, and Coverage of Institutional Deliveries)
3. Govt. of India, Ministry of Human Resources Development, *Annual Report for 2006-07*, downloaded from www.education.nic.in (for data on Dropout Rates).

### Box 3: Socio-Economic Status of Children in India

- IMR is as high as 55 per 1000 live births (SRS, 2007).
- India has the lowest child immunisation rate in South Asia.
- Birth registration in India is just 62 percent (Registrar General of India, 2004).
- Maternal Mortality Rate (MMR) is equally high at 301 per 100000 live births (SRS, 2001–03).
- Only 43.5 percent children in the age group of 12–23 months are fully immunised.
- The number of children orphaned in India is approaching 2 million (World Bank 2005).
- Only 21 percent children in the age group of 12–35 months receive a dose of vitamin A.
- Nearly 60000 newborns are infected every year from 189000 HIV positive women.
- Only 26 percent children who had diarrhoea got ORS (NFHS-3) as compared to 27 percent in NFHS-2.
- Three out of four children in India are anaemic.
- Every second new born has reduced learning capacity due to iodine deficiency.
- Children (0–3 years) underweight are 46 percent in NFHS-3, a marginal decrease from 47 percent in NFHS-2
- Children under 3 with anaemia are 79 percent (NFHS-3), an increase from 74.2 percent in NFHS-2.
- Only 23.4 percent children are breastfed within the first hour of birth (NFHS-3).

**Source:** Planning Commission, GoI: Eleventh Five Year Plan, 2007-12, *Social Sector Spending*, Voll-2, PP, 2007

In 2005, the national plan of action for children, outlined commitments for the central, state and local governments in the country towards fulfilling child rights, in four interlinked areas: child survival, child development, child protection and child participation. These commitments, in turn, draw on the mandate delivered by the Indian Constitution.

The National Plan of Action for Children (2005), brought out by the Ministry of Women & Child Development, “commits the allocation of the required financial, material, technical and human resources from the central and the state government to ensure its full implementation. Investing in children lays the foundation for a just society, a strong economy, and a world free of poverty”. This requires that ministries and departments with specific child budgets and plans should ensure 100 percent spending and should also increase allocation in view of the large child population. Along with many specific recommendations for union and state governments, a clear demarcation of child budget, spending and monitoring were put in the action plan.

To find out the magnitude of ‘child budget’ and keeping in mind the different needs of children in our country, all programmes/ schemes included in the ‘child budget’ are categorised into four sectors, viz.:

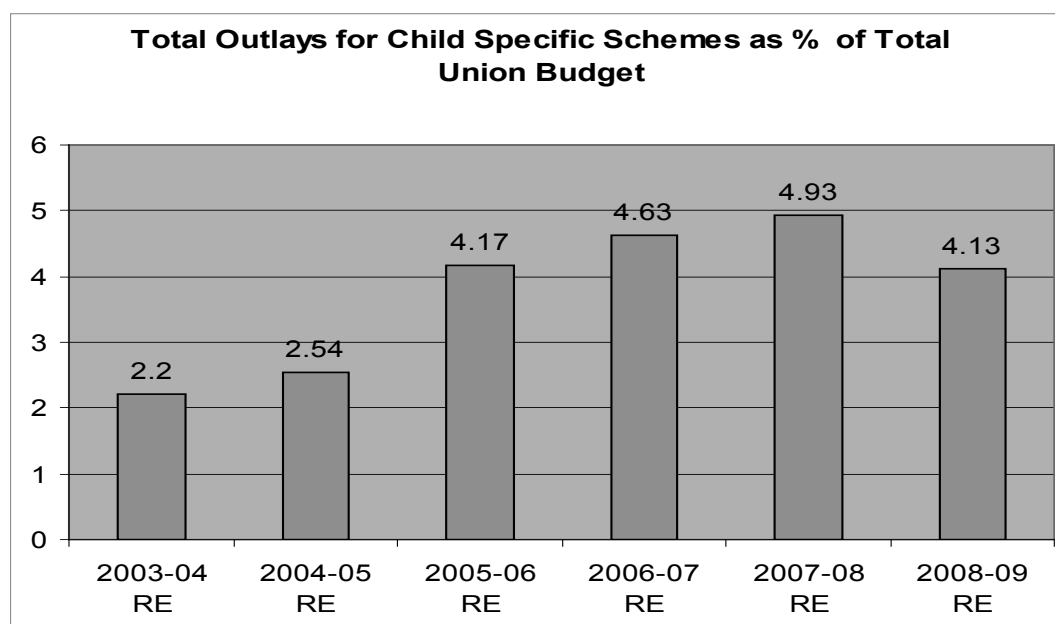
- Child Development
- Child Health
- Child Education
- Child Protection.

However, this categorisation is subjective to some extent as certain child-specific schemes address multiple needs of children and hence they can be considered to fall into more than one category. For instance, a scheme like “National Programme for Nutritional Support to Primary Education (or the Mid-Day Meal scheme)” may be considered as a part of child education as well as a part of child development (in the analysis presented here, this scheme has been included under child education). But in order to avoid double counting of child specific public expenditure, every such scheme (addressing multiple needs of children) is included in any one of the four categories only.

## A. Magnitude of Child Budget

The magnitude of ‘child budget’ within the Union Budget, i.e. the aggregate outlay for child specific schemes as a proportion of total budget outlay by the Union Government increased up to 4.93 percent in 2007-08 from only 2.2 percent in 2003-04. But the revised estimates of 2008-09 show a significant decline to 4.13 percent of total Union Budget.

**Figure 1: Outlays for Child Specific Schemes as a Proportion of union budget (in %)**



**Note:** The figure for Total Expenditure from union budget in 2007-08 (RE) used in the present analysis does not include the Rs. 35,531 crore worth of non-plan transaction undertaken in 2007-08 relating to the transfer of RBI's stake in SBI to the Government.

**Source:** GoI, Expenditure Budget Vol. I & II, Union Budget, (various issues)

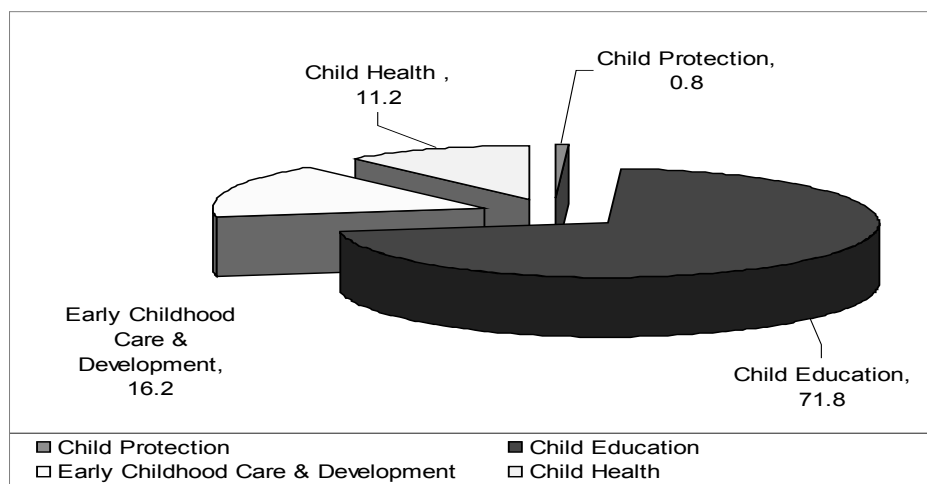
If we take into account the fact that children (i.e. all persons up to the age of 18 years) constitute more than 40 percent of the country's population and that many of the outcome indicators show persisting deficits in the development of children; the magnitude of ‘child budget’ at 4.13 percent of the total union budget in 2008-09 (RE) cannot be regarded as adequate.

### Prioritisation of Outlays Earmarked for Children in union budget 2008-09

While the magnitude of ‘child budget’ is still inadequate, the prioritisation of this total amount earmarked for children in the union budget 2008-09 shows a skewed pattern (Table 2 and Figure 2). The present analysis divides the entire ‘child budget’ into four categories, viz. early childhood care & development, child health, child education, and child protection. Each of the child-specific schemes selected from the union budget is considered only under any one of these four categories.

Figure 2 below shows the sectoral composition of the total ‘child budget’ in union budget 2008-09 (RE). Within the total resources earmarked for children in union budget 2008-09 (RE), 71.8 percent is meant for child education, 16.2 percent for child development, 11.2 percent for child health and only 0.8 percent for Child Protection. This is very disturbing given that many recent cases have highlighted the vulnerability of children in the country, especially those children who are in various kinds of difficult circumstances.

**Figure 2: Sectoral Composition of the Total Outlay for Children in union budget 2008-09 (RE)**



Source: Compiled from Gol, Expenditure Budget Vol. I & II, union budget 2008-09

Outlays for **Early Childhood Care & Development** as a proportion of total outlay by the Union Government have decreased from 0.84 percent in 2007-08 (RE) to 0.67 percent in 2008-09 (RE). Outlays for **Child Health** as a proportion of the total union budget outlay is almost stagnant at around 0.45 percent in between 2007-08 (RE) and 2008-09 (RE). Outlays for **Child Education** registered a decline from 3.6 percent of the total union budget in 2007-08 (RE) to 2.96 percent of the total union budget in 2008-09 (RE). Despite the relatively higher magnitude of union budget outlays for child education, the total public spending on education in the country continues at a low level. According to the economic survey for 2007-08, the total budget outlay for education departments in the centre and states combined stood at a meager 2.84 percent of the GDP in 2007-08. Education departments account for a substantial chunk of the total public spending on education in the country.

Hence, there can be no doubt about the fact that even child education remains under-funded in the government budgets in India.

However, it is the child protection sector which appears most neglected in the Union Budget. The outlay on **Child Protection**, registers a decline from 0.04 percent of the total union budget in 2007-08 (RE) to 0.03 percent of the total union budget in 2008-09 (RE). While the outlay for Integrated Child Protection Scheme (ICPS) has gone up, the outlay for National Child Labour Project (NCLP) has been decreased in 2008-09 (RE) in comparison to 2007-08 (RE).

**Table 2: union budget Outlays for Child Specific Schemes**

	2004-05 (RE)	2005-06 (RE)	2006-07 (RE)	2007-08 (RE)	2008-09 (RE)
Budgetary Provisions for <b>Early Childhood Care &amp; Development</b> (Rs.Crore)	2291.39	3947.91	4864.55	5642.24	6014.60
Allocations for Child Development as a Proportion of Total Expenditure of Union Government	0.45	0.78	0.84	0.84	0.67
Budgetary Provisions for <b>Child Health</b> (Rs. Crore)	1576.71	2806.72	2649.33	3016.29	4166.62
Allocations for Child Health as a Proportion of Total Expenditure of Union Government	0.31	0.55	0.46	0.45	0.46
Budgetary Provisions for <b>Child Education</b> (Rs. Crore)	8831.41	14294.1	19236.26	24244.56	26693.45
Allocations for Child Education as a Proportion of Total Expenditure of Union Government	1.75	2.81	3.31	3.60	2.96
Budgetary Provisions for <b>Child Protection</b> (Rs. Crore)	152.87	173.04	183.53	283.79	294.04
Allocations for Child Protection as a Proportion of Total Expenditure of Union Government	0.03	0.034	0.032	0.04	0.03
Total Outlays for Child Specific Schemes (Rs. Crore)	13092.38	21597.82	26933.67	33186.88	37168.71
Total Outlays from union budget (Rs. Crore)	505791	508705	581637	673842	900953
Total Child-Specific Outlays as % of Total Outlays from Union Budget	2.59	4.25	4.63	4.93	4.13

**Note:**

1. BE: Budget Estimates; RE: Revised Estimates.
2. Expenditure Budget Volume II (Notes on Demands for Grants) in the union budget documents does not give Actuals, hence we have taken Revised Estimates for the years from 2004-05 to 2008-09.
3. Total Expenditure figures for 2004-05 to 2007-08 are also *Revised Estimates*
4. The figure for Total Expenditure from union budget in 2007-08 (RE) used in the present analysis does not include the Rs. 35,531 Crore worth of non-plan transaction undertaken in 2007-08 relating to the transfer of RBI's stake in SBI to the Government.

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



However, it is a welcome step that some new schemes have been introduced in the union budget 2008-09 and 2009-10.

### New Schemes for Children in union budget 2008-09

With union budget 2008-09, the government has some new schemes for children. Table 3, compiles these new schemes for children. While the launch of these schemes is a welcome step, the magnitude of funds provided for these schemes does not present a promising picture.

**Table 3: New Schemes for Children in union budget 2008-09**

Ministry/ Dept.	Scheme (Allocation for 2008-09)	Objective
School Education & Literacy (2008-09)	Support to One Year Pre-Primary in government local body schools (Rs 100 crore)	To formulate a new centrally sponsored scheme for providing assistance for pre-primary classes in government/local body schools.
Secondary Education (2008-09)	Scheme for upgrading 2000 KGBVs (residential schools/girls' hostels) (Rs. 80 crore)	To establish one girls' hostel in each educationally backward block, about 3500 in all.
	New model schools (Rs.58.80 crore)	To set up 6000 new high quality schools, one in every block of the country.

Source: Compiled from Union Budget, Expenditure Budget Vol. II, 2008-09

**Table 4: New Schemes Announced in the Budget, 2009-10**

Ministries/Department	Name of the Scheme & Allocation	Objective of the Scheme
Ministry of Minority Affairs	National Fellowship for Students from the minority communities (Rs 4.5 Crore)	Objective is given in the budget document
Department of School Education and Literacy	<i>Rashtriya Madhyamik Shiksha Abhiyan</i> (RMSA) (Rs 983.46 crore)	As a follow-up to the implementation of the <i>Sarva Shiksha Abhiyan</i> (SSA) a massive increase in the number of students completing upper primary level
	Scheme for Setting up of 6000 model schools at block level as bench mark of excellence (Rs 312.90 crore)	Setting up of 6000 new for high quality schools – one in every block of the country
	Scheme for Construction and Running of girls hostels for students of secondary & higher secondary schools (Rs.54.00 crore)	Creating girls hostel facilities for secondary level students in each educationally backward block (about 3500 in all).
	Appointment of language teachers ( Rs 14.40 crore)	The Assistance for appointment language teachers of any language listed in the 8th schedule of the constitution that is taught as third language.

Source: Compiled from Union Budget, Expenditure Budget Vol. II, 2009-10

Based on the discussion presented above, we may conclude that the effort of the Union Government over the last few years at stepping up priorities for children in the union budget leave a lot to be desired. The total magnitude of resources earmarked for children in union budget 2008-09, at only 4.13 percent of the total Union Budget, appears inadequate to address the various problems confronting children in India. Moreover, even within this small quantum of resources earmarked for children, the sectoral composition is heavily skewed. The interventions in child protection sector are still under funded. So, inadequate allocation of funds and uneven distribution of the funds across the child related sectors are the major constraints among others.

In spite of its constitutional commitments, India is far behind to ensure the basic Child Rights (reflected through low attainments of various child development indicators in India) even after more than 60 years of independence. On the other hand, as a signatory India also violates the ratification of the child convention, which implies that 'the state cannot shield itself behind a screen of lack of resources', but it is the business of the State to draw upon other sectors that can help to realise the rights of the child. Therefore, there is an immediate need for a clear cut policy for the children in India with a plan of action with strategies and inputs within a time frame to ensure child rights.

# AP State Budget 2008-09 from a child rights perspective: A first glance

*Dolon Bhattacharyya\**

**A**ndhra Pradesh has 3.1 crore children below 18 years of age which constitutes almost forty one percent of total state's children. 102 lakh children are in the age group of 0-6 years who needs special child care and protection. It is mentioned in the budget speech that the state has achieved high growth rate which is the result of higher growth rates in all the three sectors viz., Agriculture, Industry and Services in comparison to the national growth rates in these sectors for the current year. Beside the achievements of the states, we can not deny the lacunae still prevailing in the state in many other areas. Andhra Pradesh continues to have the large number of child labourers and also sexually abused children compared to other states of India. Our children still suffer from poor nutrition, inadequate health services, sanitation and basic education facilities.

## **Key Observations from the State Budget 2008-09**

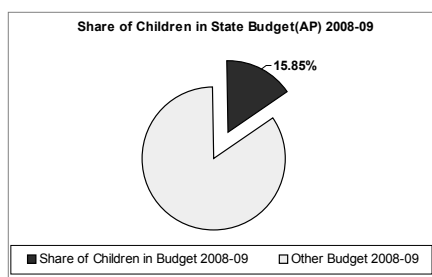
The future and strength of a State lies in a healthy, protected, educated and well-developed child population that will grow up to be productive citizens. Therefore it is state's responsibility to look into welfare of these children. Welfare of this significant proportion of children is possible only when there are special policies and programme specifically designed for them and addresses their needs. Also resources have to be allocated to the children proportionate to their huge numbers. **Child specific sectors (Education, Health, Development & Protection) received an average of 13.6 percent of the State Budget from 2004-05 to 2007-08.**

The state budget for the year 2008-09 to the AP State Legislature has been presented by the honourable minister of finance, Andhra Pradesh on 16th February 2008. The present document is therefore an attempt to analyse what the government is offering to our children this year. We have

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\* The researcher is associated with the MV Foundation, Hyderabad.

taken the age of children as 18, which will enable us to have a broader scope for including many programmes and schemes pertaining to children.



**Out of every 100 Rupees, 15 Rupees and 85 Paise has been allocated for the children in the AP state budget. That means 15.85 percent of the total budget has been kept for the 41 percent of the total population**

**Table 1 : Share of Children in AP State Budget**

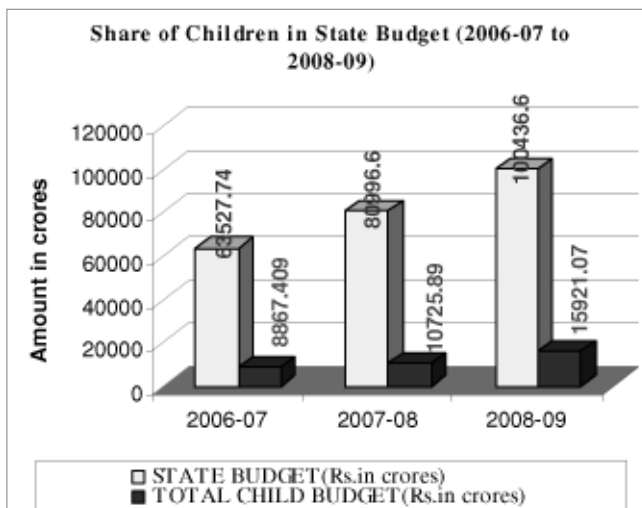
(Rs. Crore)

Sectors	2006-07 (BE)	2006-07 (RE)	2007-08 (BE)	2007-08 (RE)	2008-09 (BE)
Child Education	7515.1682	7470.1279	8952.5158	9592.6058	12775.1011
Child Health	117.1799	115.5832	146.9427	144.7337	120.6462
Child Development	1144.0933	1144.062	1535.0025	1534.874	2917.7644
Child Protection	90.968	90.5987	96.5177	95.6531	107.5556
<b>Total Child Budget</b>	<b>8867.4094</b>	<b>8820.3718</b>	<b>10725.8867</b>	<b>11367.8666</b>	<b>15921.0673</b>
State Budget	63527.741	61552.963	80996.6	79598.94	100436.55
% of child budget in State Budget	13.95	14.33	13.24	14.28	15.85

*“The GSDP at constant prices (1999-2000) as per Advance Estimates during 2007-08 is likely to be Rs.2,29,461 crores, which is an increase of 10.37 percent over previous year’s quick estimates.”-*

Budget Speech 2008-09 by Mr.K.Rosaiah, Minister of Finance

- As far as the promises made in the Common Minimum Programme (CMP) the expenditure on health and education should be 3 percent and 6 percent of GDP respectively to fulfil the minimum requirement in these two sectors. Though there is an Increase in GSDP at constant prices (1999-2000) in 2007-08 (Advanced Estimates) over 2006-07 (Quick Estimates) by 10.37 percent, it is calculated that allocation on public education (School, Higher and Technical Education Dept.) as percentage of GSDP during these period increased by only 0.1 percent (from 3.4 percent in 06-07 to 3.5 percent in 07-08). Against the vision of NRHM to increase public spending on health to 2-3 percent of GSDP, it is calculated that the allocation on public Health as percentage of GSDP increased by only 0.8 percent (from 1.04 percent in 06-07 to 1.12 percent in 07-08).



The share of allocation for school education department constitute major portion of total education budget every year (80-85%). If we take the NCMP to be implemented in the State as well it can be calculated that out of the promised 6 percent of GDP expenditure on public education, at least 4.5 percent has to be allocated on school education. That means. An amount of Rs. 10325.75 crores required to be allocated under school education department against the current year’s budget, 8841.23 crores<sup>1</sup>. If 3 percent of GDP was promised to be allocated on public health, it has to be at least 1.3 percent towards child health considering that 41 percent of states population is children below 18 years of age. Therefore, an amount of Rs.6883.83 crores (3 percent of GSDP) required to be allocated on public health. Against this calculation, it is noticed that current year’s allocation on public health Rs. 3368.9459 crores which is only 1.5 percent of state’s domestic product. Needless to say that allocation on child health (Rs.120.65 crores) is just a fraction of total public health budget.

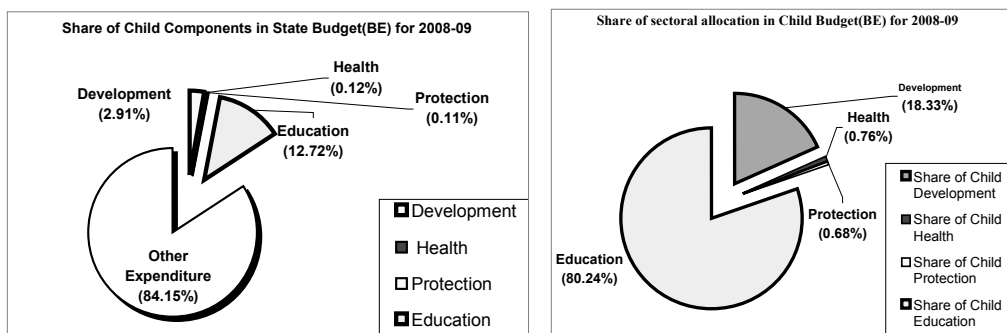
**Table 2: Share of Children in AP State Budget 2007-08**

	In %
Share of Child Development in State Budget	2.91
Share of Child Health in State Budget	0.12
Share of Child Protection in State Budget	0.11
Share of Child Education in State Budget	12.72
Share of Children in State Budget	15.85

**Table 3: Share of Specific Sector within BfC in 2007-08**

	In %
Share of Child Development	18.33
Share of Child Health	0.76
Share of Child Protection	0.68
Share of Child Education	80.24

<sup>1</sup> Calculated from Budget Estimates 2008-09, School Education Department, Govt. of AP



**Table 4: Percentage Change in Sectors within BfC (BE) Over the Last Year**

Year	% Rate of Change In Total BfC (BE)	% Rate of Change In Development (BE)	% Rate of Change In Health (BE)	% Rate of Change In Education (BE)	% Rate of Change In Protection (BE)
2006-07	18.01	15.61	-2.82	18.94	6.28
2007-08	20.44	34.17	21.06	18.52	6.10
2008-09	48.44	90.1	-17.90	42.70	11.44
Average	28.96	46.63	0.11	26.72	7.94

**Note:** Negative sign indicates decrease in allocation from previous year's BE

- Increase in allocation (BE) on child specific sectors have shown satisfactory increase of 40 percent from the last revised allocation (RE, 2007-08). State budget on the other hand have increased by 26 percent from RE 2007-08. Share of child budget to total state budget has also increased by 1.57 percent (from 14.28 percent in RE 2007-08 to 15.85 percent in BE 2008-09). Still, we can ask that will the 15.85 percent of total state budget be sufficient to meet the needs for 41 percent of state's population?
- Within the child budget, the share of education and child development has indeed increased when compared to child health and child protection. Out of Rs. 15921.07 crore promised to the children of the state, the share of development is 18.33 percent; health is 0.76 percent, protection 0.68 percent and education 80.24 percent. However, as is evident, with only education receiving maximum attention, the government has once again failed to focus on the child holistically.
- Fall in allocation on child health in current year is of grave concern in a state where children still suffers from malnutrition, increased disease burden and inadequate health services. It is observed that there is a decrease in allocation on child health schemes in the current year budget (BE) over the last year budget (BE) by 17.9 percent. Can this decrement be justified when total allocation to the Ministry of Health and Family Welfare has been increased by 24 percent this year over the last year's allocation (BE)? Will the current situation of health of the state's children be improved with the lesser attention paid by our finance minister?

- According to AP Socio Economic Survey 2007-08, 8810226 school children have been covered under the scheme 'School Health Services' that includes promotion of health and prevention of diseases of school children by prompt treatment, preliminary screening of all pupils, quarterly medical examination by a doctor and first aid and treatment of minor ailments. On the contrary there was NO allocation for the scheme this year. Question arises on how existing children in school will be ensured better health with no allocation at all?
- The AP Socio Economic Survey 2007-08 says, "...8000 PHCs are functioning as 24 MCH centres and the number of deliveries conducted during 2006-07 70012 with was 67549 in 2005-06." A fall in allocation in the scheme "Maternity And Child Health" by about 14 percent is therefore seems contradictory to the statement.
- Despite of Govt's repeated commitment to provide 'better healthcare in remote and interior areas', huge gap in rural health infrastructure can be identified. To mention a few of them "only 22 percent of the doctors were in place to serve 73 percent of the population in rural areas... only 48 CHCs (9 percent) against 554 required...shortfall of 26 percent in number of PHCs... only 32 percent (8050 against 25000 required) health workers in the sub-centres at village level."<sup>2</sup> Fall in allocation in child health schemes and allocation of only 0.12 percent of total state budget in child health sector is not acceptable in this situation.
- It is good to see that allocation on development sector has increased substantially by 1382.76 crores in current year (BE) which is about 90 percent hike from previous years allocation (BE, 2007-08). However, closure scrutiny tells that the hike in allocation is because of additional allocation on the sub-scheme 'Subsidy on Rice' under Nutrition Programme (Rs.720 crores in 2007-08 BE to Rs.1980 crores in 2008-09 BE)that benefits more than 80 percent of state's population, not only children. Similarly ICDS scheme has shown an increase of 33 percent in BE 2008-09 over last year's allocation (BE 2007-08) because of huge amount is allocated towards payment to the *Anganwadi* Workers and construction of buildings for additional AWCs.
- "*Our government has increased the number of Anganwadi centres which provide nutritional support to the pregnant women and children.*" -Says, Mr. K.Rosaiah. If the increased amount goes towards salaries of anganwadi workers and construction of buildings for new AWCs, what then will happen to the maintenance of the existing centres and an even larger issue of ensuring quality? How the increased amount will help in reaching out more children, adolescents, pregnant and lactating mothers in existing centres?
- Despite the huge number of children in the state who needs protection, the allocation for child protection continues to be the lowest over the years. Although apparently the total allocation on protection specific scheme have in creased by Rs.11.03 crores in current years budget over last year's BE, one can see that share of child protection in total state budget has actually been decreased (from 0.12 percent in 07-08 BE to 0.11 percent in 08-09 BE). Will the increase in allocation in the budget 08-09 by 11.44 percent over last year's allocation (BE 07-08) be enough to combat the situation? How long will we continue to neglect the child's right to be protected?

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2 CAG Report 2005, Chapter – III, Pg no - 48

- While the total allocation for education (School education, Higher education and technical education) has increased by 33 percent this year, the share of child education (elementary) has only gone up by 17.8 percent. Increase in allocation in elementary education is because of substantial increase in allocation in some schemes such as ‘Information and Communication Technology’ which is extended to additional 5000 schools from current year, ‘Nutrition Meals Programme’ and ‘Integrated Education for disabled children’. As regards SSA which is a flagship programme of the Govt. on universalisation of elementary education, a fall in the allocation by 51 percent from last year’s budget has been noticed (from Rs.815 crores in BE 2007-08 to Rs. 400 crores in BE 2008-09).
- According to XIth Five-Year plan, central and state’s share ratio on SSA allocation has been decided as 50:50 as against the norm in Xth Five-Year plan with 75:25 centre-state share. The current year’s allocation shows that out of total Rs.400 crore allocated for SSA an amount of only Rs.100 crore is allocated by the state under matching state’s share of CSS, whereas central grant is Rs. 300 crores.

## Development Sector

*“Our government has increased the number of Anganwadi centres which provide nutritional support to the pregnant women and children. During this year, 6,470 Anganwadi centres have been established. 80 percent of the population has been covered under the Anganwadi scheme through 73,944 centres. An amount of Rs.471 crores is allocated in the budget 2008-09 for this purpose...”*

Extract from Budget Speech, 2008-09, by K. Rosaiah, Minister for Finance, Govt. of AP

### Box 1 : Current Situation of Child Development

- Number of children below 18 years of age group in Andhra Pradesh is about 3.1 crores that constitute 41 percent of total state’s population.
- There are 102 lakhs children in AP below 6 years of age group.
- 64 of every 1000 new born die before reaching one years of age in rural AP.
- 34 percent children in AP under 3 years are stunted and 37 percent are underweight.
- The rapid increase in the number of children infected with HIV/AIDS raises greater concern about their right to survival. HIV/AIDS prevalence in AP antenatal clinics was reported as 2 percent in 2005 as against 1.25 percent in 2002.
- 7.3 percent of babies in AP born with birth weight less than 2.5 kg.
- Reduction of sex ratio in the 0-6 age group from 975 in 1991 to 961 in 2001 raises serious concern and poses question on gender discrimination still prevailing in the state.



**Table 5: Scheme-wise allocation on Child Development**

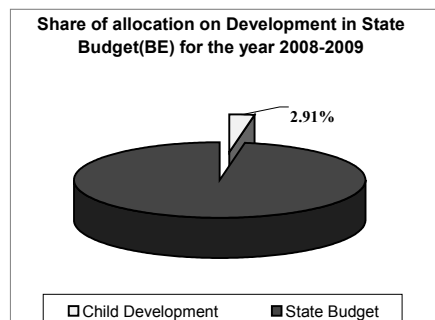
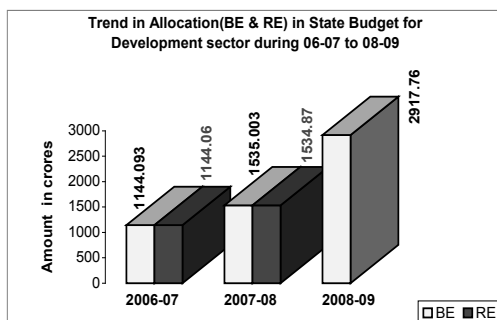
(Rs in '000)

SI No.	Description of major Schemes/ Programme	BE	RE	BE	Difference	% Change in BE
		2007-08	2007-08	2008-09		
		A	B	C	D= (C-A)	E=D/A*100
1	Secretariat Social Services - Women Development, Child Welfare And Disabled Welfare Department	10951	10010	11726	775	7.08
2	Balika Samridhi Yojana-Centrally Sponsored	68700	68700	68700	0	0.00
3	Integrated Child Development Scheme (ICDS)	3462199	3462199	4616434	1154235	33.34
	3.1 ICDS Schemes—IDA Assisted I.C.D.S-IV Project, Centrally Sponsored	0	0	443338	443338	New Scheme
	3.2 Construction of Buildings for Anganwadi Centres/ICDS Projects with WB Assistance ICDS IV Project, Centrally Sponsored	0	0	400000	400000	New Scheme
	3.3 ICDS Scheme - Centrally Sponsored	3234228	3234228	3197759	-36469	-1.13
	3.4 ICDS Scheme - Payment to Anganwadi Workers*	227971	227971	575337	347366	152.37
4	Nutrition Programme **	11672075	1167173	24173734	12501659	107.11
5	Swayam Sidda - Centrally Sponsored	0	0	0	0	0.00
6	Kishore Shakti Yojana, Centrally Sponsored	0	0	42350	42350	New Scheme
7	National Programme for Adolescent Girls ***	136100	136100	164700	28600	21.01
8	Capital Outlay-Construction of Buildings for Anganwadi Centres	0	0	100000	100000	New Scheme
Child Development- TOTAL (Rs. In Crores)		1535.003	1534.874	2917.764	1382.7619	90.08
State Budget (Rs. In Crores)		80996.6	79598.94	100436.6	19439.95	24.00
Child Development As % Of State Budget		1.90	1.93	2.91		

\*This sub scheme includes state's share of allocation under 1) major head-'child welfare' 2) under SCP for schedule caste and 3) under tribal area subplan. No allocation on general head for 08-09

\*\*This includes, 1) Nutrition Programme from Women, child and disabled welfare dept; 2)Special Nutrition programme in urban slum areas from Municipal Administration & Urban Development Dept; 3) Subsidy on Rice (HRD) from Food, Civil supplies and Consumer Affairs dept. Allocation under "Subsidy on Rice" increased from Rs.720 cr in 07-08 BE to Rs.1980 cr in 08-09 BE.

\*\*\* Allocation for this scheme under SCP for SC and Tribal Area Subplan is started from this year (2008-09)



- Allocation on ICDS has been increased by 90 percent in 08-09 BE when compared to last years allocation. But it is noticed that this hike is largely because huge increase in allocation on a sub-scheme ‘Subsidy on Rice’ under Nutrition Programme that benefits more than 80 percent of state’s population, not only children. Total Nutrition Programme shown an increase of Rs.1250.2 crores in current year’s BE. In addition, allocation is increased in schemes that added up in total allocation under development sector in year 2008-2009.
  - i) An amount of Rs.44.33 crores on IDA assisted ICDS IV projects and Rs.40 crores towards construction of buildings for AWCs with WB assisted ICDS IV project;
  - ii) State’s share of an additional allocation of Rs.44.74 crores under ICDS scheme (that includes payment to AW workers and construction of new buildings for AWCs).
  - iii) An amount of Rs.4.24 crores is granted by centre under ‘Kishore Shankti Yojana’ Out of total Rs. 461.64 crores allocated under ICDS scheme, Rs. 404.11 crores comes as grants from centre and as external aid.
- As mentioned in the socio economic survey, in all 23 districts of the state, 61.09 lakh women and 73.5 lakh children (6 months to 6 years) have been covered as per Govt’s record and an amount of Rs.119.75 crores was provided in 2006-07.<sup>3</sup> One of the important services Supplementary Nutrition Programme (SNP) under ICDS, benefited 43.6 lakh children (0-6 years) and 10.6 lakh pregnant & lactating women.<sup>4</sup> As per government norm to provide Rs.2/- per beneficiary per day in 300 feeding days it can be calculated that Rs.325 crore is required to cover all 54.2 lakh beneficiaries under supplementary nutrition programme, whereas only Rs.248.51 crore was actually spent under ICDS scheme which apart from Supplementary Nutrition Programme (SNP) consists of other services viz. Pre-school education, Immunisation, Health Checkups, Referral Services and Health & Nutrition Education. Question, therefore, arises about actual number of beneficiaries under SNP with such a low budget.
  - Govt. also claims that in the year 2006-07, 12 lakh children covered with Immunisation; 26 lakh children of 3-6 years provided with early childhood education & care; 25 lakh children, pregnant & lactating women provided with health checkups under ICDS.<sup>5</sup> But

3 Socio Economic Survey 2007-08, Govt. of Andhra Pradesh

4 Outcome Budget 2007-08, Department of Women Development, Child Welfare & Disabled Welfare

5 ibid

looking at the Actual Expenditure (AE) figure of Rs. 248.51 crore for the year, the number of actual beneficiaries poses greater doubt as only SNP required Rs.325 crore in the year 2006-07 to cover 54.2 lakh beneficiaries as claimed by the Department.

Though an amount of Rs.461.64 crores is being allocated under ICDS for the year 2008-09, one can ask whether it will be sufficient to cover the existing as well as increase more beneficiaries.

- It is claimed by the women development, child welfare and disabled welfare department, the beneficiaries covered under ‘National (Nutrition) Programme for Adolescent Girls’ was 1.85 lakh in 2005-06 which increased to 2.91 lakh in 2006-07.<sup>6</sup> But the allocations and expenditures for the scheme poses doubt about the actual number of beneficiaries. Whereas the allocations remained same at Rs. 13.61 crores for both the year, only Rs.6 crores and Rs.5.57 crores were actually spent in 2005-06 and 2006-07 respectively.
- The number of children expected to cover under ‘National (Nutrition) Programme for Adolescent Girls’ was 4.39 lakh in 2007-08.<sup>7</sup> But against the requirement of 18700 MTs of food grain, only 9350 MTs were actually allocated in 2006-07 with an financial allocation of Rs.11.14 crores in that year.<sup>8</sup> It is good to see that allocation has been increased substantially to Rs. 16.47 crores in current year’s BE under this scheme

## Health Sector

*“Government has proposed a substantial increase in the Plan allocation to Medical & Health Department to Rs.1315 crores to bring a qualitative improvement in its working... For better healthcare in remote and interior areas, it is proposed to provide Rs.29.00 crores to establish two ANM training centres, two nurse training colleges and to provide additional new buildings for 60 Primary Health Centres...”*

Extract from Budget Speech, 2008-09, by K. Rosaiah, Minister for Finance, Govt. of AP

### Box 2 : Current Situation of Child Health

- Infant mortality rate is at 53 per 1000 live births against NRHM's target to reduce IMR to less than 25 per 1000 live births by 2010.
- Of every 100 school children under age 3 in the state 37 continues to be Underweight
- Percent of children of 12-35 months received all recommended vaccines has gone down from 59% in 1998-99 to 46% in 2005-06
- Of every 100 pre-school children in the state 54 suffers from malnutrition;
- Percentage of children in the age group of 6 to 35 months suffering from Anaemia has increased from 72.3% in 1998 - 99 to 79% in 2005-06.
- 35% of children under 5 years age are moderately to severely undernourished
- There is 13 to 47% of caloric inadequacy among children of preschool to adolescence age group.
- Only 64 percent of the deliveries in AP are institutional against the target by NRHM to increase to 95% by 2010

6 ibid

7 Socio Economic Survey 2007-08, Govt. of Andhra Pradesh

8 <http://wcd.nic.in/ar2007/English/Chapter/annexure.pdf>, Page no -191

Table 6 : Scheme-wise allocation on Child Health

(Rs in '000)

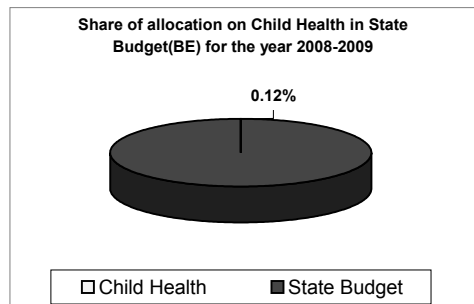
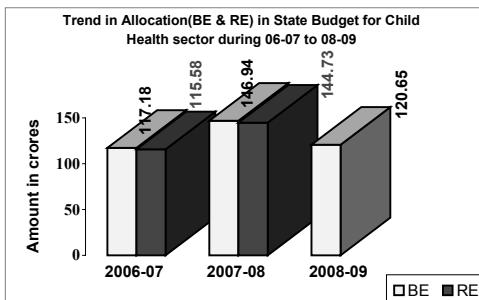
Sl No.	Description of major schemes/ Programme	BE	RE	BE	Difference	% Change in BE
		200708	200708	200809		
		A	B	C	D= (CA)	E=D/A*100
1	Maternity And Child Health, HOD-Health	39333	34970	33914	-5419	-13.78
2	Medical Termination of Pregnancy, CSS	1491	1491	1810	319	21.40
3	Reproductive Child Health (RCH) Programme*	400000	400000	370000	-30000	-7.50
4	Medical Inspection on Schools	16726	12664	14338	-2388	-14.28
5	Assistance To Children Suffering From Heart Diseases **	250000	250000	50000	-200000	-80.00
6	Manufacture of Sera and Vaccine	241801	228136	249765	7964	3.29
7	School Health Services	11620	11620	0	-11620	-100.00
8	Sukhibhava	200000	200000	195000	-5000	-2.50
9	Training of Auxilliary Nurses, Midwives, Dayas and Lady Health Visitors- Centrally Sponsored	36267	36267	35875	-392	-1.08
10	ANM Training Schools Run by Local Bodies And Voluntary Organisation Grant-In-Aid, Centrally Sponsored	22500	22500	37500	15000	66.67
11	Employment of A.N.Ms	147000	147000	147000	0	0.00
12	Post Partum Scheme	102689	102689	71260	-31429	-30.61
Child Health - TOTAL (Rs. In Crores)		146.9427	144.7337	120.6462	-26.2965	-17.90
Ministry of H & FW (Rs. In crores)		2726.1075	2660.3843	3368.9459	642.8384	23.58
Child Health as % of Ministry of H & FW		5.39	5.44	3.58		
State Budget (Rs. In Crores)		80996.6	79598.94	100436.6	19439.95	24.00
Child Health as % of State Budget		0.18	0.18	0.12		

\*This includes a sub-scheme for rural initiative named 'RCH Prog-II-Rural Emargency Health Transport Scheme'. An additional amount of Rs.840 lakh has been allocated in 08-09 BE but it is noticeable that allocation for this scheme under SCP for schedule caste and Tribal Area Sub-plan has decreased by Rs.460 lakhs and Rs.180 lakhs respectively

\*\* An amount of Rs.81 lakh and Rs. 33 lakh has been allocated this year (08-09) under SCP for schedule caste and Tribal Area Sub-plan. Allocation under Normal State Plan is decreased from Rs.15 cr in 07-08 BE to Rs. 3.9 cr in 08-09 BE

- In contradiction to finance minister's repeated commitment to provide affordable healthcare to the entire population in the state every year it is observed that there is substantial fall in allocation on child health specific schemes by about 18 percent from last year's budget (2007-08 BE), whereas total allocation for the ministry of health & family welfare have increased by 24

percent in the current year over last year’s budget. The only area that shown an increase in allocation as stated in the finance minister’s speech is for ANM training colleges and buildings for PHCs.



- National Rural Health Mission (NRHM) is a one of the concerted effort by GOI in partnership with the states to galvanise state govt. into action pursuing innovations and flexibility in all spheres of public health. Effective implementation of the intervention should be backed by sufficient financial allocation from GOI as well as state govts. The union cabinet approved the detailed Framework for Implementation of NRHM in July 2006 where financial resources was looked in the light of the commitment of the UPA govt. in the CMP to raise public expenditure on health to 2-3 percent of GDP over the next five years.<sup>9</sup> A fall in allocation this year in child health specific schemes is not at all welcome. It is therefore highly unlikely to reach a target to achieve 2-3 percent of GSDP with such a trend in allocations.
- Allocation (BE) on health as percentage of total state’s budget (BE) in 2008-09 is at only 0.12 which is even much lower than what was allocated three years back, that is, 2005-06 (0.22 percent of state budget). Given the fact that a huge amount of healthcare costs are met through private expenditure which is mostly out-of-pocket, it can be ask what impact this fall in allocation for child health will have on family expenses?

## Protection Sector

*“It is our endeavour to empower the weaker and downtrodden sections and give them the first right over various welfare schemes being implemented by our Government. The Government has decided to establish orphanages in each Assembly segment in a phased manner to help the destitute and orphans. Rs.22.50 crores is allocated in the Budget 2008-09 for this purpose.”*

Extract from Budget Speech, 2008-09, by K. Rosaiah, Minister for Finance, Govt. of AP

<sup>9</sup> Extracted from the article “Health Sector and Budget” by Amarjeet Sinha, “Yojana”, A Development Monthly. Special Issue-March 2008

**Box 3 : Current Situation of Child Protection**

- 13.6 lakh children of 5-14 years age group are in labour force. Maximum number of child labour in AP (over 150,000) are engaged in the production of hybrid cotton-seed.
- Latest estimates says that there are about 9 lakh child labourers in the state (Report of the state advisory board on child labour 2007)
- Andhra Pradesh is the only southern State that is comparable with the northern States in terms of incidence of child marriage, with one in 40 persons married below the legal age (Source - Frontline - India's national magazine, Volume 22 - Issue 14, Jul 02 - 15, 2005)
- 54.7 percent women of the state get married below 18 years of age. (NFHS III)
- According to the 2001 census data for every 75 children in the age group of 0 – 14 years, there is 1 disabled child. Amongst the total disabled person in the state, 33 percent (444,884) are children and young adults in the 0-19 age group. 24 percent children & young adults of 0-19 years have been reported to be visually impaired. In the age group of 10-19 years, almost 26 percent are reported to be orthopaedically impaired. 15 of every 100 children are reported to be mentally retarded.
- Andhra Pradesh is reported as one of the largest suppliers of women and children for sexual exploitation.
- Practices of 'Devadasi' tradition of dedicating adolescent girls to gods and goddesses is still continuing in some villages in Andhra Pradesh

**Table 7: Scheme-wise allocation on Child Protection**

(Rs in '000)

SI No.	Description of major schemes/Programme	BE	RE	BE	Difference	% Change in BE
		200708	200708	200809		
		A	B	C	D= (CA)	E=D/A*100
1	Welfare of Aged, Infirm And Destitute	110651	109315	115019	4368	3.95
2	Rehabilitation of Bonded Labour *	2300	2300	140000	137700	5986.96
3	Schemes for Setting Up Women's Training Centres/ Institution for Rehabilitation Of Women-In-Distress **	10210	10210	5042	-5168	-50.62
4	Financial Asst to Women and Girl Victim Affected by Cognisable Offences Under CRPC	5000	5000	8000	3000	60.00
5	Girl child Protection Scheme	489800	489800	353456	-136344	-27.84
6	Services for children in Need of Care & Protection	212683	203759	281332	68649	32.28
7	Headquarter Offices - HOD- Juvenile Welfare	200	200	200	0	0.00
8	Juvenile Welfare - Correctional Services ***	132123	133752	170312	38189	28.90
9	Training-HOD-Juvenile Welfare	195	195	195	0	0.00

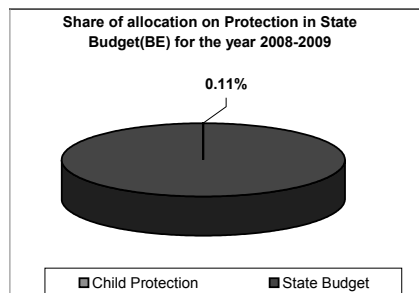
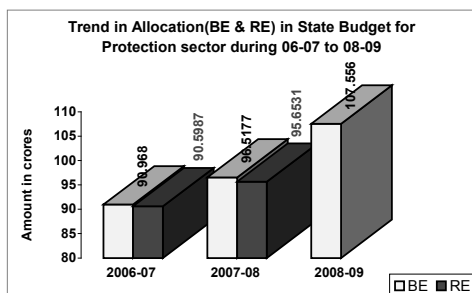
10	Rehabilitation of Beggars Maintenance of Homes for Beggars Including Child Beggars-Capital Outlay	2000	2000	2000	0	0.00
Child Protection- TOTAL (Rs. In crores)		96.5162	95.6531	107.5556	11.0394	11.44
State Budget (Rs. In Crores)		80996.6	79598.94	100436.6	19439.95	24.00
Child Protection as % of State Budget		0.12	0.12	0.11		

\*Central allocation of Rs.113.40 lakh and matching state's share of Rs.113.40 lakh has been extended to SCP for schedule caste for this scheme

\*\*Central grant was available in 07-08 BE of an amount of Rs.81.68 lakh, whereas no grant is received in 08-09 BE resulting decrease in overall allocation under this scheme

\*\*\*This scheme includes, 1) expenditure in headquarter and district offices under correctional services; 2) Certified schools & Homes; 3) Probation services and 4) Capital expenditure on buildings under correctional services

- Child protection continues to receive the lowest budget allocation. Although total allocation on protection specific scheme have increased by 11.44 percent (from 96.5162 crores in BE 2007-08 to 107.5556 crores in BE 2008-09), when calculated as percentage of total state budget, it is only 0.11 percent this thus a decrease of 0.01 percent from last year (BE 2007-08)



- Reduction in allocation noticed in ‘Girl Child Protection Scheme’ and “Schemes for Setting Up Women’s Training Centres/ Institution for Rehabilitation Of Women-In-Distress” (which receives a central grant of Rs.113.40 lakh under Special Component Plan for Schedule Caste) by 27.84 percent and 50.62 percent respectively from last year’s budget (BE 2007-08)

## Education Sector

*“Our government is determined to ensure that no meritorious student should be deprived of education merely because his or her parents cannot afford to pay for their education... Diet charges meant for the hostel boarders were hiked by 25 percent by our government one and half years ago. Now we have decided to increase the same by 40 percent for students between classes 3-7 and by 30 percent for the students of classes 8-10...With a view to strengthen the education at secondary level, government have decided to implement the Mid-Day Meal Scheme up to Class 10th in all government, Zilla Parishad, Municipal Schools and Aided Schools in 737 Educationally Backward Mandals in the state... our government has decided to implement a programme for imparting computer education to all students in 5,000 selected high schools and junior colleges in the state...”*

Extract from Budget Speech, 2008-09, by K. Rosaiah, Minister for Finance, Govt. of AP

**Box 4 : Current Situation on Child Education**

- Gender gap is prevalent in the state in terms of literacy rates with male literacy rate at 71 percent compared to 51 percent amongst females.
- 4.23 lakh children of 6-15 years continues to be out of school (CAG 2006-07) as against the state's claim of only 2.8 lakh (DSE 2006-07).
- 27 percent children dropout between I-V classes and 64 percent dropout between I-X classes.
- Dropout rates in classes I-X for SC and ST are 70 percent and 82 percent respectively.
- Number of Primary Schools in the state actually falls from 173731 in 2002-03 to 167723 in 2006-07.
- Teachers in primary schools decreased from 63897 in 2003-04 to 32162 in 2006-07 According to CAG report, 2005.
- 26123 schools in the state running with only 1 classroom.
- There is shortage of 54730 teachers in Primary and Upper-primary schools.
- 2977 habitations (out of 72372) were not having regular schools as of March 2005, and of these 1925 habitations did not have any schooling facility.
- 26160 Schools in AP do not have drinking water facility.
- Still 6316 schools are without building and 3431 schools are in dilapidated condition.

**Table 8: Major Head/Departments wise budget for Child Education**

(Rs In Crore)

SI No.	Major Head/Departments wise budget for Education	BE	RE	BE
		200708	200708	200809
		A	B	C
1	Schemes under Elementary Education, School Education Departments	4146.878	4525.412	4886.1
2	Schemes under Secondary Education, School Education Departments	2106.587	2364.719	3844.3578
3	Schemes from Higher Education Department	452.4059	437.1371	506.9159
4	Schemes from Technical Education Department	131.6471	136.0304	127.3543
5	Direction & Administration (School & Intermediate Education)	63.8191	59.3038	54.5941
6	Schemes from Social Welfare Department	1033.276	1036.632	1779.2137
7	Schemes from Tribal Welfare Department	463.0896	474.5529	625.1329
8	Schemes from Back Ward Classes Welfare Department	456.2142	459.7732	832.6176
9	Schemes from Labour and Employment Department	56.765	57.0249	74.4117
10	Schemes from Women, Child and Disabled Welfare Department	7.2269	7.4137	8.8349
11	Schemes from Panchayat Raj Department	34.6075	34.6075	35.5682



Table 9 : Scheme-wise allocation on Child Education

(Rs in '000)

SI No.	Description of major Schemes/Programme	BE	RE	BE	Difference	% Change in BE
		200708	200708	200809		
		A	B	C	D= (CA)	E=D/A*100
<b>I. Elementary Education (Education Department)</b>						
1	Examinations	84575	84975	91375	6800	8.04
2	Office Buildings-Maintenance & Repair	384020	384020	591820	207800	54.11
3	Primary Education	25700612	29052031	32765193	7064581	27.49
4	Non Formal Education	0	0	0	0	0.00
5	Language Development	24822	24822	48054	23232	93.59
6	Providing Basic Amenities to all schools in the State	200000	200000	200000	0	0.00
7	Operation Black Board Scheme	83667	84466	82853	-814	-0.97
8	Lump-sum Provision—GIA towards salaries	783348	783348	845016	61668	7.87
9	Supply of Text Books to SCs/STs	121000	121000	121000	0	0.00
10	District Primary Education Programme	0	0	0	0	0.00
11	Area Intensive Programme for Educationally Backward Minorities—GIA— Centrally Sponsored	60000	60000	66400	6400	10.67
12	Special Education Programme— Externally	0	0	0	0	0.00
13	Universalisation of Elementary Education,	0	0	0	0	0.00
14	Innovation in School Education	1500	1500	1500	0	0.00
15	NEPGEL	591652	591652	578798	-12854	-2.17
16	KGBV	306250	306250	380000	73750	24.08
17	Educational Technology Programme	15370	15370	17404	2034	13.23
18	Information and Communication Technology*	140500	140500	1140500	1000000	711.74
19	Environmental Orientation School Education	0	0	0	0	0.00
20	Integrated Education for Disabled Children	21217	21217	45660	24443	115.20

21	Nutrition Meals Programme (MDM) **	4445000	4445000	6781400	2336400	52.56
22	Improvement of Science Education	2255	2255	0	-2255	-100.00
23	Sarva Siksha Abhiyan (SSA) <sup>a***</sup>	8150000	8150000	4000000	-4150000	-50.92
24	Teachers Training, DIET	327990	327990	320000	-7990	-2.44
25	PMGY Programme	0	0	0	0	0.00
26	Construction of Buildings for Kitchen-cumstore room ****	0	432720	600000	600000	New Allocation
27	Major works at School Buildings	25000	25000	79027	54027	216.108
28	Establishment of Model Public School on Public-Private Partnership	0	0	5000	5000	New Scheme
29	Protection of High school building	0	0	100000	100000	New Scheme
<b>(I) Elementary Edu : Sub total</b>		<b>41468778</b>	<b>45254116</b>	<b>48861000</b>	<b>7392222</b>	<b>17.8259943</b>
<b>II. Secondary Education (Education Department)</b>						
30	Examinations	283927	276114	283539	-388	-0.14
31	Direction and administrations	638191	593038	545941	-92250	-14.45
32	Secretariat	22887	24048	26994	4107	17.94
33	Nutrition meal programme for high school *****	0	0	1751800	1751800	New Scheme
34	Junior colleges & institutions*****	4125581	4027615	4475234	349653	8.48
35	Bldg (DSE) (maintenance)	0	0	0	0	0.00
36	Buildings of Intermediate Education-Minor	84030	84030	100000	15970	19.01
37	Computerisation of school education	735061	735061	220000	-515061	-70.07
38	Universalisation of Secondary Education ("Andariki Vidya")	332	332	50332	50000	15060.24
39	Supply of Science equipments to Secondary Schools— Centrally Sponsored (CSS)	47826	47826	0	-47826	-100.00
40	Modernisation of Madarsa Education—CSS	7000	7000	24000	17000	242.86

a. SSA has now been renamed as "Rajib Vidya Mission" in the state with the objective to ensure that all children are enrolled in regular schools/EGCs/Alternative schools/ Back-to-School camps.

## Human Rights and Budgets in India

41	National green corps	8700	8700	5000	-3700	-42.53
42	SC,ST,other—Welfare-School Edu. under the control of DSE	0	0	0	0	0.00
43	Free Education to the Children of the deceased in the extremists Violence and Accident	225	225	225	0	0.00
44	Provision of Incentives for Enhancement of SCs/STs Girl Child enrolment in High	10000	10000	50000	40000	400.00
45	Inspector of Physical Education	2580	2580	2580	0	0.00
46	Organisation of South India Science Fair	0	0	3386	3386	New Scheme
47	Youth welfare programme for students	19548	15590	15730	-3818	-19.53
48	Text books	882821	866117	873916	-8905	-1.01
49	Publications, registrar	2650	2409	2699	49	1.85
50	Bal Bhavans	19994	19607	23735	3741	18.71
51	Language development	200304	200304	219725	19421	9.70
52	State council of educational research & training (SCERT)	151673	152413	154171	2498	1.65
53	TRAINING *****	338194	299873	423243	85049	25.15
54	Scholarships	49883	49883	48883	-1000	-2.00
55	Secondary education strengthening	17600	17600	17600	0	0.00
56	Assistance to government secondary schools*****	2724007	2821175	13264133	10540126	386.93
57	Assistance to non-govt. And local bodies secondary institutions & organisations	15196409	17691365	19797939	4601530	30.28
58	Polytechnics <sup>b</sup>	1266471	1310304	1146543	-119928	-9.47
59	Construction of School Buildings under RIDF	500000	500000	750000	250000	50.00
60	Assistance to APREI Society under APREI Integrated Centralised Schools	0	0	500000	500000	New Scheme
61	Major works at school building under DSE	58692	58692	190873	132181	225.21

b. Though the scheme “Polytechnics” falls under Technical education department thus beyond the scope of our research, we have included this under secondary education owing to the fact that it caters age group starting from 16 years.

62	Major works at school building under Intermediate Education through Rural Infrastructure Development Fund (RIDF)	100000	100000	100000	0	0.00
63	Construction of Govt. Junior College (RIAD)	0	0	100000	100000	New Scheme
64	Construction of SC/ST Hostel building to girls under Intermediate Education	0	0	37000	37000	New Scheme
65	Buildings for Polytechnics*****	50000	50000	127000	77000	154.00
<b>(II) Secondary Edu : Sub total</b>		<b>27544586</b>	<b>29971901</b>	<b>45332221</b>	<b>17787635</b>	<b>64.58</b>
<b>II. Elementary/Secondary Education (Other Departments)</b>						
66	Twelfth Finance Commission Grants for Maintenance of Social Welfare Hostel	10000	10000	11000	1000	10.00
67	State Scholarships-Scholarships and Stipends for SC students	150000	150000	165000	15000	10.00
68	Post Matriculation Scholarship under Social Welfare Dept.	4590200	4590200	6030000	1439800	31.37
69	Government Hostels for SC students	2673055	2806512	3630598	957543	35.82
70	Book Banks for SC students	40400	40400	10600	-29800	-73.76
71	Government Residential Centralised Schools for SC students	1502007	1402107	2878739	1376732	91.66
72	Scholarships and Educational facilities to Children of those engaged in Unclean Occupation	30100	30100	30100	0	0.00
73	Merit Upgradation Awards to SC Students	4500	4500	10000	5500	122.22
74	Capital Outlay under SW Department	1332500	1332500	5026100	3693600	277.19
75	Twelfth Finance Commission Grants for Maintenance of Tribal Welfare Hostel	5000	5000	5500	500	10.00
76	Educational Institutes for tribals	2504731	2619364	3185104	680373	27.16
77	Post Matriculation Scholarship for tribal	770000	770000	902000	132000	17.14
78	Pre-Metric Scholarship for tribals	140000	140000	154000	14000	10.00
79	Residential Schools for Tribals	326065	326065	485725	159660	48.97

## Human Rights and Budgets in India

80	Capital Outlay under TW Department	885100	885100	1519000	633900	71.62
81	Twelfth Finance Commission Grants for Maintenance of BC Welfare Hostel Buildings	10000	10000	10000	0	0.00
82	Post Matriculation Scholarship for BC	2040000	2040000	3410000	1370000	67.16
83	Government Hostels for BC students	1710722	1736245	2393684	682962	39.92
84	Reimbursement of Tuition Fees to the Children of BC classes	300000	300000	1500000	1200000	400.00
85	Assistance to APREI Society for Residential High Schools-Cum-Junior Colleges for	315920	325987	370487	54567	17.27
86	Pre-Metric Scholarship for BC Students	30000	30000	232005	202005	673.35
87	Capital Outlay under BC Welfare Department	155500	155500	410000	254500	163.67
88	Industrial Training Institutes	513846	513907	572094	58248	11.34
89	Apprenticeship Training Schemes	33804	36342	40783	6979	20.65
90	Buildings for ITI -Major works	20000	20000	131240	111240	556.20
91	Govt. Residential Schools for Disabled under the control of Director for the Disabled	50677	52545	55393	4716	9.31
92	Scholarship to Physically Handicapped Students	9166	9166	13939	4773	52.07
93	Scholarship for handicapped studying IX and above classes	8900	8900	15491	6591	74.06
94	Opening and maintenance of Junior College for Hearing Handicapped	704	704	704	0	0.00
95	Construction of Hostels/Schools/Homes/Buildings for	2822	2822	2822	0	0.00
96	Assistance to PR bodies for maintenance of School bldg	96075	96075	105682	9607	10.00
97	Construction of High Schools under RIAD programme	250000	250000	250000	0	0.00
<b>(III) Elementary/Secondary Education (other Depts.): Sub total</b>		<b>20511794</b>	<b>20700041</b>	<b>33557790</b>	<b>13045996</b>	<b>63.60</b>

<b>(IV) Child Education-TOTAL (I+II+III) (Rs. In Crores)</b>	<b>8952.516</b>	<b>9592.606</b>	<b>12775.101</b>	<b>3822.5853</b>	<b>42.70</b>
<b>State Budget (Rs. In Crores)</b>	<b>80996.6</b>	<b>79598.94</b>	<b>100436.55</b>	<b>19439.95</b>	<b>24.00</b>
<b>Child Education as % of State Budget</b>	<b>11.05</b>	<b>12.05</b>	<b>12.72</b>		

**Note:** Items 1-29, under major head of Elementary Education in School Education Dept; Items 30-65, under School Education, Higher and Technical Education Dept.; Item 66-74, under Social Welfare Dept; Item 75-80, under Tribal Welfare Dept; Item 81-87, under BC Classes Welfare Dept; Item 88-90, under Labour and Employment Dept; Item 91-95, under Women, Child and Disabled Welfare Dept and Item 96 & 97, under Panchayat Raj Dept.

\*The scheme "Information and Communication Technology" is extended to 5000 schools of the States with an allocation of Rs.100 crores with central share of 75 percent and states' share of 25 percent in the year 08-09

\*\*Under the scheme "Nutrition Meal Programme" Central allocation of 77.22 crores and 33.78 crores is extended to SCP for schedule caste and Tribal Area Sub-plan respectively in the year 08-09

\*\*\* Central allocation of Rs.48crores and 21 crores are extended to SCP for schedule caste and Tribal Area Subplan from the year 08-09

\*\*\*\* Central started allocation under Revised Estimates 07-08 and from BE 08-09, started allocating under SCP for schedule caste and Tribal Area Subplan

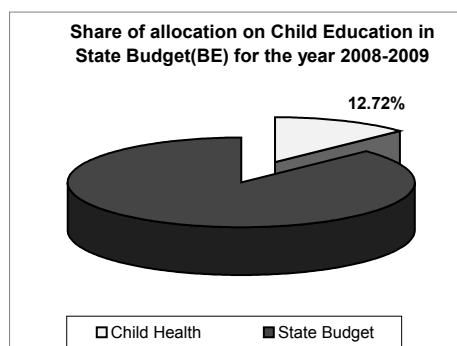
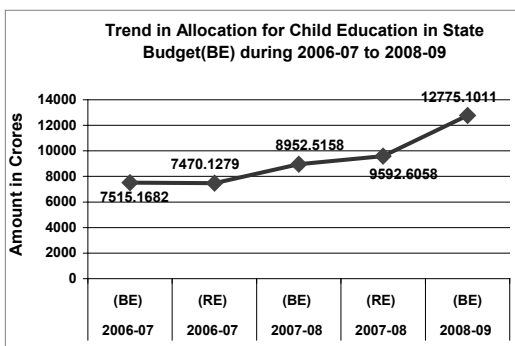
\*\*\*\*\*Entirely new scheme launched this year (08-09). This scheme is extended to EBB<sup>10</sup> and Non-EBB mandals of the state. Out of Rs.175.18 crore, Central has allocated Rs.76 crores.

\*\*\*\*\* This scheme includes, 1) Govt. Junior Colleges; 2) Govt. Vocational Junior Colleges (new scheme); 3) Assistance to Non-Govt. Junior colleges /Institutes; 4) Residential Junior colleges and 5) Assistance to Residential Junior Colleges for ST students. Allocation under Govt. junior colleges and Assistance to non-govt. institutions are extended to SCP and TAS in the year 08-09

\*\*\*\*\* The scheme includes, 1) Teacher's training; 2)Research & Training-Vocationalisation of Education; 3) Training programme for Sec. schools Math & Physical Science teachers; 4) Training of Teachers for English Medium High Schools (New Scheme). "Vocationalisation of Education" has been extended to SCP for schedule caste and TAS from the year 08-09

\*\*\*\*\* The scheme includes, 1) Govt. Secondary schools; 2) Govt. Secondary schools for Boys; 3) Scheme for Universal Access and Quality at Secondary Stage (S.U.C.C.E.S.S) (Newly launched Scheme); 4) Rural Residential Public School (New Scheme). S.U.C.C.E.S.S. Scheme is started with an allocation of Rs.1000 crore with 75:25 central and state share basis. The scheme 'Rural Residential Public School' is an State's initiative which is also extended to SCP and TAS

\*\*\*\*\* The scheme includes 1) Govt. polytechnics; 2) Govt. Model Residential Politechnic; 3) Assistance to Private politechnic; 4) Technical Education Quality Improvement Project (TEQIP)-Externally aiaded; 5) Government Polytechnics at Obulavaripalli of Kadapa District & Eluru of West Godavari district (New Scheme with 25 percent states share)



- As discussed earlier as well, the state govt have accorded the highest priority for education among other child-specific sectors which is reflected in 12.72 percent of the state budget being

10 EBBs are Educationally Backward Blocks which are identified on the basis of concentration of SC,tribal, BC population, with low female literacy and/or a large number of girls out of school;areas with low female literacy; or areas with a large number of small, scattered habitations that do not qualify for a school.

allocated on education this year. This is a 42 percent increase over previous year. In the last budget, 60 percent of total school education department budget was for elementary education and 30 percent for secondary education. However, complying the NKC recommendation that 'expenditure on secondary schooling must be increased by several multiplies within the next 2 years, indeed by at least five times the current level if the CABE estimates are used', it is observed that budget allocation for this year on secondary education has been increased drastically to 41 percent of total school education department budget. Although this is a welcome move by the Govt., it is observed that elementary education budget shows an increase of 17 percent from last year's budget against that of secondary education (82%).

- National Programme for Education of Girls at Elementary Level (NPEGEL) programme is done on "Model Cluster School Approach" in Andhra Pradesh. AP Socio Economic Survey 2007-08 observes that "5765 model cluster schools are operationalised; 3398 schools receives books, sports and music equipment and vocational materials, additional classrooms were constructed in 3078 model cluster schools." A fall in allocation from Rs. 5916.52 Lakh in 2007-08 to Rs.5787.98 lakh in the scheme is therefore poses concern about proper implementation of the scheme and correctness of the above statement.
- According to AP Socio Economic Survey 2007-08, under SSA "an enrolment drive by Govt. titled 'Badi Bata' resulted in enrolment of 1253084 children of 5+ age group in first class & 96152 out-of-school children were mainstreamed into regular school; as many as 199069 out-of-school children have been enrolled in EGS and AIE centres; 3073 school buildings and 14316 classrooms have been constructed." Although the move by the state is welcome, a fall in allocation for sarva siksha abhiyan" by almost 51 percent (from Rs.815 crores in 2007-08 to Rs.400 crores in 2008-09) is not explicable. It is also worth mentioning here that inspite of the state's enrolment drives and Govt.'s claim of only 2.8 lakh children out of school system, it is calculated that out of the estimated child population of 158 lakh (6-15 years age group), only 131 lakh were enrolled in classes I-X (DSE 2006-07), thus leaving 27 lakh children still out of school.
- Clear from finance minster's budget speech that govt. is committed to provide quality education for SCs and STs and thus to increase scholarship to poor talented children. However, such commitment looks vague looking at the scholarship programme intended under school and higher education department for SCs and STs. One can see that scholarships to Intermediate students under Higher Education department have decreased from Rs.295 lakh in 2007-08 to Rs.275 lakh this year. Allocation under the scheme "Scholarships and educational facilities to children of those engaged in unclean occupations" has remained same at Rs. 301 lakh for two years. Question may arise how more students can be provided with scholarships as committed by the govt. with such decreased allocation?

- 73 percent of the scheme funds were not utilised for payment of scholarship to students thus denying scholarship to 19592 SC students every year
- Scholarships amounting to Rs 0.35 lakh were paid (2004-06) to 20 ineligible candidates i.e. children of auto drivers, contractors, and private/government employees in Hyderabad.

- *“Hon’ble Members are aware that in this age of information technology, education cannot be said to be complete without Computer Literacy...” says Rosaiah.* Whereas in one hand computer education programme is extended to additional 5,000 selected High Schools and Junior Colleges from this year under the scheme ‘Information and Communication Technology’, it is observed that under the existing scheme ‘Computerisation of school education’, the allocation has decreased by 70 percent (from Rs.7350.61 lakh in 2007-08 to Rs.2200 lakh this year). However, we are not able to understand whether the allocation is transferred to the ‘Information and Communication Technology’ scheme as both the schemes are mentioned separately.
- Despite finance minister’s commitment to provide quality education to schedule caste children of the state, it is noticeable that allocation for ‘Book Bank’ under social welfare department (that is implemented in the state with the objective to provide SC/ST students access to the latest text books and to reduce the dropouts from courses) has decreased by 74 percent (from Rs.404 lakh in 2007-08 to Rs.106 lakh this year). CAG report, 2007 observes that “...No students were covered under the scheme during the year 2006-07... In the test checked districts, books not related to courses and outdated books were supplied to students.”
- To upgrade the skills of teachers, the state have initiated teacher’s training with the motto of ensuring quality education in primary, upper-primary and secondary sections. SSA provides for in-service course for 20 days for all teachers each year, refresher course for untrained teachers already employed as teachers for 60 days and orientation for 30 days for freshly trained recruits. SCERT is mainly involved in conducting teacher’s education courses to untrained teachers, to organise orientation programme such as seminars, workshops, conferences etc for professional growth of teachers’ & teacher-educators. In spite of such initiatives it is observed that, 70016 teachers out of total 220891 in Primary, Upper-primary and secondary school in AP (that is, 31.70 percent) were untrained as on 2005.<sup>11</sup> In spite of the recommendation of CAG to the ministry to “ensure that only teachers who possess the prescribed minimum qualifications are appointed and suitable steps are taken to train the underqualified staff so that the quality of education is not adversely affected”, the actual expenditure pattern for teacher’s training did not show any improvement. Closure scrutiny on the budget data for teachers’ training reveals that under DIET, out of the budget estimate of Rs. 2212 lakh in 2006, only Rs. 1338 lakh was actually spent on teacher’s education on elementary stage. It is also noticed that under SCERT, out of the allocation of Rs. 1348 lakh in the year 2006, only Rs. 299 lakh was actually been spent. Though an amount of Rs. 37 lakh was allocated under “Training programme for secondary schools math & physical science teachers”, only Rs. 4 lakh was spent during the year 2006.

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  - (f) Women's Development, Child Welfare and Disabled Welfare Department
  - (g) Labour and Employment Department
  - (h) Panchayati Raj and Rural Development Department
  - (i) Food, Civil Supplies and Consumer Affairs Department

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**PART TEN**

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# Priorities for Scheduled Tribes in the Union Budget

*Nilachala Acharya\**

**A**mong the socially marginalised groups in India, the Scheduled Tribes (STs) are among the most disadvantaged. The severity of their deprivation is starkly evident when they are compared to the rest of the population in the country in terms of various socio-economic indicators. Successive governments in India have initiated a number of policy measures aimed at addressing these disparities. However, such efforts of the governments, at various levels, have borne limited positive results largely due to administrative and policy bottlenecks and complexities involved in their implementation. Budgetary allocations to improve the socio-economic profile of the STs fall far short of expectations. In short, there is a clear case of development deficits to ameliorate the lot of the STs.

In the light of continued marginalisation of the STs, the present brief intends to bring out some of the key concerns of tribal communities in the context of the forthcoming budget 2009-10. While Part-I of this note explains the severity of marginalisation of STs in India, Part-II focuses on the budgetary allocations for the tribal communities in India as well as the commitments made by successive governments during different points of time. Finally, Part-III of the brief proposes an alternative policy framework with regard to budgetary allocation and spending in the coming budget 2009-10.

## I. Status of the Scheduled Tribes in India

The STs, which constitute a significant proportion of the total population of India (8.2 percent of the total population as per 2001 Census), lag behind the rest of the population in terms of various socio-economic indicators.

**Table-1: Socio-Economic Indicators among Scheduled Tribes (STs) vis-à-vis India**

Indicators	STs	All India
Infant Mortality Rate (IMR)-NFHS-3	62.1	41.5
Under Five Mortality Rate-NFHS-3	95.7	74.3

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\* The researcher is associated with the Centre for Budget and Governance Accountability.

Under Five Children Acutely Malnourished- NFHS-3	54.5	42.5
Literacy Rate (2001, Census)	47.1	64.8
Dropout Rates-Total (Class I to X) 2004-05 Provisional	79.0	61.9
Dropout Rates-Girls (Class I to X) 2004-05 Provisional	80.7	63.9
Population Living Below Poverty Line (2004-05) Rural Areas	47.30	28.30
Population Living Below Poverty Line (2004-05) Urban Areas	33.30	25.70
% of ST representation in Central Government Services as on 1.1.04	6.54	100.00
Total Workers (Rural) (Census, 2001)	50.37	41.75
Total Workers (Urban) (Census, 2001)	34.56	32.75
Total Cultivators (Census, 2001)	44.71	31.65
Total Agricultural Labourers (Census, 2001)	36.85	26.55

**Source:** National Family Health Survey (NFHS-3), Gol, Eleventh Five Year Plan Document, Government of India and Census 2001.

### Indicators on Socio-Economic Deprivations

Following socio-economic indicators reflect the deprivation of tribals *vis-à-vis* the rest of the population of the country.

- 1 **High Infant and Under Five Mortality Rate:** The Infant Mortality Rate (IMR) of the STs is an alarming 62.1 percent compared to the all India average of 41.5 percent during 2005-06. Similarly, under five mortality rate of tribals is 95.7 percent compared to an all India average of 74.3 percent. Under five children acutely malnourished was also as high as 54.5 percent compared to the all India average of 42.5 percent.
- 2 **Low level of Educational Attainment:** As per the 2001 Census, literacy rate among the STs is 47.1 percent compared to the national average of 64.8 percent. Dropout rate, a critical indicator reflecting the lack of educational development is also too high. In case of the STs, dropout rate is an alarming 79 percent compared to national average of around 62 percent during 2004-05. In the case of girls, the situation of dropout rate is even worse (i.e., 80.7 percent as compared to national average of 63.9 percent in classes I to X).
- 3 **Lack of Basic Amenities and Infrastructure:** Nearly 91 percent of the STs in India reside in rural, hilly and inaccessible forest areas, which in a way hinders their access to quality infrastructure and basic services such as education, healthcare and so on. This further leads to socio-economic backwardness.
- 4 **Overcrowding in Traditional Occupation:** The tribal communities occupy around 15 percent<sup>1</sup> of the country's areas in various ecological and geo-climatic conditions ranging from plains and forests to hills and inaccessible areas. They are mostly dependant on traditional agricultural activities for their livelihood. In fact, more than 81 percent of total ST workers, both in rural and urban areas taken together are engaged in the primary sector<sup>2</sup>, out of which 44.74 percent are cultivators and 36.85 percent are agricultural labourers.

1 Seventeenth Report of Standing Committee on Social Justice and Empowerment, New Delhi 2006, p-14

2 Report of the Eleventh Five Year Plan; Government of India; 2007-12

- 5 **High Poverty Concentration:** The incidence of poverty among STs continues to be very high (47.3 percent in rural areas and 33.3 percent in urban areas compared to 28.3 percent and 25.7 percent of national average respectively<sup>3</sup>). The ST representation in central government services (including all categories of jobs as on 1.1.04) is only 6.54 percent.

## II. Plan Outlay Earmarked for the Scheduled Tribes in Union Budgets

Before looking into the plan allocation earmarked for STs in the Union Budget, let us take a look at the guidelines of the Tribal Sub-Plan (TSP) and the promises made in National Common Minimum Programme (NCMP). We would also look at the various policy initiatives laid down in the Eleventh Five Year Plan of the Government of India.

### Guidelines of Tribal Sub-Plan

Tribal sub-plan focuses on earmarking population-proportionate funds from the general development sectors for the overall development of ST population in order to bring these deprived groups into the mainstream of economic development.

With regard to the budgetary allocation of the central government as well as the state and union territory governments', main guidelines of TSP spell out like this (given in Table-2).

**Table-2: Guidelines of Tribal Sub-Plan**

TSP with regard to Central Ministry/Department	Main Guidelines for TSP with regard to the States/UTs
<ul style="list-style-type: none"> <li>• Earmarking of funds by every central ministry/department towards TSP should be as per the proportion of ST population in the country. Non-earmarking of TSP funds by the ministry/department will result in non-approval of their annual plan.</li> <li>• TSP funds should be non-divertible. Creation of a separate budget head for TSP (i.e., 796 a minor/programme head)</li> <li>• A dedicated TSP unit should be created for the formulation and implementation of TSP scheme and programme</li> <li>• Only those schemes/programmes should be implemented which accrue direct benefit to STs</li> </ul>	<ul style="list-style-type: none"> <li>• Earmarking of funds for TSP from the total state plan outlay should at least be proportionate to the ST population of the state/UT.</li> <li>• The administrative department which is concerned with the development of STs should be the nodal department for formulation and implementation of TSP.</li> <li>• Placing the funds earmarked for TSP at the disposal of the principal secretary who will work as planning secretary and have exclusive authority for reallocation of funds to other line departments for development schemes of STs.</li> <li>• Preparing a detailed TSP document with physical and financial targets against each scheme with the objective of bridging the gap between the rest of the population and the STs within 10 years.</li> <li>• Ensuring that the other line departments cooperate in the proper implementation of the TSP schemes allocated to them and put up the schemes before the nodal departments for sanction and release of funds.</li> <li>• Preventing the diversion and lapse of funds allocated to TSP in the Annual Plans, TSP should not allowed to be changed at Revised Estimate (RE) stage by the Planning Commission.</li> </ul>

3 Planning Commission, 2004, New Delhi

	<ul style="list-style-type: none"> <li>• Carrying forward the lapsed/unutilised TSP amount to the next annual plan of the State/UT as an additional fund for TSP.</li> <li>• All Central Sponsored Scheme (CSS) and Special Central Assistance (SCA) schemes of the centre necessarily should have a TSP component in them as per the proportion of STs in the State/UTs.</li> </ul>
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**Source:** Eleventh five year Plan Document, Planning Commission, Government of India

## Promises made in NCMP and Eleventh Plan Strategies Vis-à-vis Policy Announcements

The National Common Minimum Programme (NCMP) of the present United Progressive Alliance (UPA) Government promised several new initiatives aimed at addressing the developmental needs of the tribals. A comparative account of the promises made in NCMP, strategies formulated to achieve them as recommended in the Eleventh Five Year Plan and subsequent policies formulated by the central government is given below.

NCMP Promises	Eleventh Plan Approaches/ Strategies	Policy Formulated
<ul style="list-style-type: none"> <li>• Urge the states to make legislation for conferring ownership rights in respect of minor forest produce, including <i>tendu patta</i>, on all those people from the weaker sections who work in the forests.</li> <li>• All reservation quotas, including those relating to promotions, will be fulfilled in a time-bound manner. To codify all reservations, a reservation act will be enacted.</li> <li>• Launch a comprehensive national programme for minor irrigation of all lands owned by <i>Adivasis</i>. Landless families will be endowed with land through implementation of land ceiling and land redistribution legislation. No reversal of ceiling legislation will be permitted.</li> <li>• All measures to be taken to reconcile the objectives of economic growth and environmental conservation, particularly as far as tribal communities dependent on forests are concerned.</li> <li>• Immediately review the overall strategy and programmes for the development of tribal areas to plug loopholes and to work out more viable livelihood strategies. In addition, more effective systems of relief and rehabilitation will be put in place for tribal and other groups displaced by development projects. Tribal people alienated from land will be rehabilitated.</li> </ul>	<ul style="list-style-type: none"> <li>• Real operationalisation of PESA Act</li> <li>• Fifth schedule needs to be operationalised</li> <li>• The Tribes Advisory Council (TAC) needs to be made proactive, functioning as an advisory body to the state government in matters relating to STs.</li> <li>• Demarcation of Scheduled Areas should be notified down to the village level and other settlements</li> <li>• Establishment of requisite number of schools in the TSP areas, production of textbooks in tribal languages, timely distribution of fellowships and scholarships etc.</li> <li>• Realisation of vision of National Forest Policy (NFP) Resolution 1988. Tribal association with forestry will be maximised through tribal cooperatives and SHGs of tribal women.</li> <li>• Recruitment of tribal women in forest department to ensure safety of the women venturing in the forest areas for their livelihood needs. Necessary amendment of instruments like Land Acquisition Act, 1894; Forest Act, 1927; Forest (Conservation) Act, 1980 Coal Bearing Areas (Acquisition and Development) Act, 1957 and National Mineral Policy, 1993 to eliminate iniquitous provisions ensuring protection of the interest of tribals.</li> </ul>	<ul style="list-style-type: none"> <li>• The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006</li> <li>• The National Tribal Policy 2006 (under consideration of Group of Ministries)</li> </ul>

<ul style="list-style-type: none"> <li>• Eviction of tribal communities and other forest-dwelling communities from forest areas will be discontinued. Cooperation of these communities will be sought for protecting forests and for undertaking social afforestation. The rights of tribal communities over mineral resources, water sources, etc as laid down by law will be fully safeguarded.</li> </ul>	<ul style="list-style-type: none"> <li>• Land reforms be implemented stringently</li> <li>• Integrating rehabilitation concerns into development planning and implementation.</li> <li>• Focused strategies for infrastructure development in sectors like education, drinking water, PDS, Health, Minor Irrigation, Roads, Housing, Tele-communications and Electrification will be pursued.</li> </ul>	
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**Source:** National Common Minimum Programme of the Government of India, May 2004; Eleventh Five Year Plan Document and Outcome Budget, Ministry of Tribal Affairs, Government of India, 2008-09.

Analysis of the budgetary allocations earmarked towards realising all these promises reveals an extremely disappointing picture. Let's have a look at the plan allocation for tribals in the central governments budget.

### **Status of Implementation of TSP for STs of the Union in 2007-08 & 2008-09**

The union budget every year makes a special allocation for the development of STs. Let us take a look at the status of implementation of guidelines stipulated by the TSP in union budget of 2007-08 and 2008-09.

The plan allocations earmarked for the STs in the union budget show a dismal picture. The proportion of total plan outlay of the central government earmarked for STs declined from 4.77 percent in 2007-08 (BE) to 4.45 percent in 2008-09 (BE) (Table-3). This is grossly inadequate considering the proportion of ST population in total population of the country, i.e. 8.2 percent. This, in turn, violates norms and guidelines of the TSP.

**Table-3: Proportion of Total Plan Outlay of the Central Government Earmarked for STs**

Total Plan Outlay in union budget (excluding Central Assistance for States & UTs) (in Rs. Crore)		Plan Allocations Earmarked for STs by all Ministries/ Departments (in Rs. Crore)		Proportion of Total Plan Outlay of the Central Govt. Earmarked for STs (in %)	
2007-08 BE	2008-09 BE	2007-08 BE	2008-09 BE	2007-08 BE	2008-09 BE
1,58,491	1,83,528	7,556.98	8,172.79	4.77	4.45

**Source:** Expenditure Budget Vol. I and Vol. II, Union Budget- 2007-08 and 2008-09.

Clearly, the plan allocations earmarked for STs in the Union Budget- 2008-09 are far below the norms stipulated by the TSP. Looking at the vast development deficits in general and of the tribals in particular, non-implementation of the strategies of TSP even after more than 28 years of its announcement is reflective of the government apathy towards this section of the population. Since the year 2008-09 is the second year of the Eleventh Five Year Plan, lack of willingness on the part of the central government to seriously pursue the strategies of TSP is a matter of serious concern.



Some important and specific schemes/programmes related outlay in the plan budget 2008-09 of Ministry of Tribal Affairs, Government of India, reflects the above mentioned apathy of the government in a significant way (Table-4).

**Table-4: Programmatic/Schematic Allocation of Ministry of Tribal Affairs, Government of India**

Name of the Scheme/ Programme	Objective/Outcome	Plan Outlay (Rs in Cr)	Physical Outputs	Projected Outcome (Male)	Projected Outcome (Female)
<b>Centre Sector Scheme</b>					
Grants-in-aid to NGOs for STs including coaching and allied and award for exemplary service	To enhance the reach of welfare scheme of Government and fill the gaps in service deficient tribal areas, in sectors such as education, health, drinking water, agro-horticultural productivity, social security etc. through the efforts of voluntary organisations and to provide an environment for socio-economic upliftment and overall development of the STs. To provide coaching to ST students and incentives for improvement in infrastructures	40.00	Residential/ non-residential schools/hostels	14500 students (290 projects)	14500 students (290 projects)
			10 bedded hospitals/ mobile dispensaries	3.75 lakh beneficiaries (105 Projects)	3.75 lakh Beneficiaries (105 Projects)
			Coaching for competitive examinations	2750 candidates	2750 candidates
Educational complex in low literacy pockets for improvement in literacy rate among women in tribal areas	To ensure 100% enrolment of tribal girls in schools, to ensure reduction in dropout rates and promote girls' education in low literacy tribal districts	60.00	Educational Complexes	Exclusively for girls (3000 beneficiaries)	
Development of PTGs	To ensure 100% enrolment of tribal girls in schools to ensure reduction in dropout rates and promote girls education in low literacy districts	178.00	Consecration-cum-Development Plans for all states	Housing, land distribution, education, infrastructure, drinking water, Janashree Insurance Scheme	
Income generating activities and marketing support	Income generating activities by the eligible STs to raise their level of income, procurement and marketing of agriculture/forest product so as to avoid distress sale or produce and value addition of tribal products	50.00 + 62.00 (Complementary Extra Budget Resources)		12300+ 45000	9000
<b>Centrally Sponsored Schemes</b>					
Scheme of Post Matric Scholarship & upgradation of Merit of ST students	To promote higher education, provide text books and to provide special and remedial coaching to ST students studying XI and XII students	250.00	Students supported	Post Matric Scholarship 10.08 lakh students and upgradation of 1053 students	
Construction of Boys' and Girls' Hostels	To ensure adequate enrolment	66.00	No. of seats would be created	4850 students	
Construction of Ashram Schools in TSP areas	Promote education among STs living in remote areas	30.00	No. of seats would be created	3150 students	

Source: Outcome Budget, 2008-09, Ministry of Tribal Affairs, GOI

Looking at the present status of tribals, the schematic provision of plan funds, as provisioned in the 2008-09 Budget, under centre sector scheme and centrally sponsored schemes seem highly inadequate.

**Table-5: Differences Between Budgeted Allocation and Actual Expenditure of Important Schemes/Programmes during Tenth Five Plan**

Schemes/Programmes	% Differences Between Budgeted Allocation and Actual Expenditure of Important Schemes/Programmes during Tenth Plan					
	2002-03	2003-04	2004-05	2005-06	2006-07	Total X Plan
G-I-A to NGOs for STs including Coaching and Allied Scheme and award for exemplary services	3.5	15.9	6.6	-15.0	-21.0	-0.4
Vocational training in Tribal Areas	47.5	35.3	40.5	-15.3	-54.4	21.0
Educational Complex in low literacy pockets for development of women's literacy in tribal areas	25.0	28.3	9.6	0.0	75.3	46.7
Scheme of Hostel for STs Girls and Boys	43.8	24.4	45.8	-100 *	9.3	14.2
Schemes of PMS, Book Bank and Up gradation of Merit of ST students	21.3	-18.9	-55.4	8.4	-35.2	-13.0
Establishment of Ashram Schools	32.1	53.8	60.7	-100 *	3.1	25.9

**Source:** Outcome Budget, 2008-09, Ministry of Tribal Affairs, GOI. \* There were no provisions in budget estimates for the scheme/programme but expenditures were made in the budget.

**Note:** Negative figures shows percentage of over expenditure compared to budget estimates

A close look at the budgetary provisions and actual expenditure of plan funds under different schemes and programmes during the Tenth Five Year Plan reveals that a large amount of the allocated funds remained unspent. More than 20 percent of the difference between budgeted allocation and actual expenditure can be accounted for, by the schemes like vocational training in tribal sub-plan areas, establishment of educational complex in low literacy pockets for development of women literacy in tribal areas and establishment of *ashram* schools. Incidence of over expenditure to the extent of 0.4 and 13 percent is found in the schemes on Post Matric Scholarship (PMS) and grants-in-aid to NGOs respectively during Tenth Five Year Plan.

### III. Policy Agenda for the Future

Looking at all spheres of deprivation of these disadvantaged groups, it is important to suggest that the budgetary outlay to these communities should be sufficient to address the existing deprivation.

Besides, some special effort should be made at different levels of governance structure aimed at the upliftment of these groups.

- It was observed that only twenty-four Ministries/Departments of the Union Government ensured that some budgetary allocation was earmarked for the STs. This fundamentally violates the guidelines of the TSP. Therefore, there is an urgent need to ensure a strict implementation of the guidelines with respect to the funds earmarked in the TSP in the forthcoming budget.
- Even those Ministries and Departments that have earmarked funds for the TSP, have not bothered to ensure that the funds allocated are in proportion to the ST population share. Hence, it is important to insist that Ministries and Departments follow TSP guidelines while allocating funds.
- High incidence of poverty and growing dependence on agriculture has become a hall mark of tribal communities in India. Keeping this in mind, special budgetary provisions should be made to reduce poverty concentration among these marginalised groups by diversifying them into other sectors of the economy. Apart from this, specific targeted number of ST beneficiaries of each developmental programme should be identified in a time bound manner. The declarations of NCMP with regard to the STs should be honoured in terms of adequate provisions in the coming budget.
- Basic requirements of a decent life like minimum education and healthcare facilities are the key to social empowerment and are vital to reduce horizontal and vertical inequalities. Considering this, adequate resources should be earmarked in the coming budget for creating necessary infrastructure which will, in turn, ensure easy access to these basic facilities by the tribal communities.
- Until tribal communities in India are empowered socially and economically, the existing gap between the tribals and the rest of the population will only widen further. Hence, a comprehensive plan scheme should be devised in a participatory way while prioritising their needs. For this, an action plan fully supported by budgetary provisions from the Central Government Budget should be made in the forthcoming Budget 2009-10.
- Efficiency need to be brought about in order to realise allocated funds under different schemes. Quality of budgeting only can be ensured if budgeted amount of the programme/scheme utilised at the end of the financial year.

# Mining in the Niyamgiri Hills and Tribal Rights

*Geetanjoy Sahu\**

Imagine that a multinational company arrives one day with your national or state government's approval and seizes your lands, destroys your environment, local farms and the agricultural system, your religious places, pollutes your river, creates hazardous waste dumps throughout your town, blocks your efforts to seek justice through the courts, and threatens to get people and activists arrested for trying to resist this destruction of your way of life. This is exactly what the Dongaria Kondha, a primitive tribe in the Niyamgiri hills, Orissa, is actually experiencing today. They have lived there for more than 200 years.

In October 2004, the Orissa government signed an agreement with Vedanta Alumina, a subsidiary of Sterlite Industries (India) (SIIL) to mine bauxite deposit from the Niyamgiri hills jointly with the Orissa Mining Corporation (OMC), ignoring environmental and human rights issues.<sup>1</sup> This article seeks to address briefly the implications of the Vedanta Aluminium Refinery project on tribal rights in the Niyamgiri hills.

The experience of the Dongaria Kondhas with the UK-based Vedanta Company provides one of the best examples of the fundamental linkages between the natural environment and basic human rights in the context of the conflict between multinational corporations and communities across the country from – Madhya Pradesh to Chhattisgarh, from Bihar to Jharkhand, and from Andhra Pradesh to Karnataka. It is a classic story of human rights violation and injustice, of exploitation across the full spectrum of economic, political, civil, social and cultural rights, and of the ways in which the tribal community and other local people have sought to defend their lands, livelihoods, and cultures. The acts of the Vedanta Company are also a prime example of what is known as “development aggression”.

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1 See, ‘A Brief Report on Ecological and Biodiversity Importance of Niyamgiri Hill and Implications of Bauxite Mining’, Environmental Protection Group, Orissa, 2007.

The Dongarias are the original indigenous landowners of the Niyamgiri Hills that will now be occupied by SILL's massive bauxite mining operations. With lands spanning dense forest and river valleys, the Dongarias practise a subsistence economy based on sustainable agriculture, forest products, fishing, and hunting – their culture intimately entwined with the surrounding landscape. The Dongarias believe that the hill country belongs to *Niyam Raja Penu*, a male deity represented by a sword and worshipped during the festivals of *Dussera* and *Jura Parab*. They claim to be descendants of the niyam raja. The Dongarias have derived their name from “dongar” meaning agricultural land on hill slopes. If one claims to be a Dongaria Kondha, he/she must reside in the Niyamgiri hills and possess land of his/her own, and pass it on to future generations.<sup>2</sup> The Dongarias have also a distinguished heritage, because of their dress style, mode of living, indigenous skills, cultural pattern and social system interlinked with nature and forests. In this way, they enjoy a critical and symbiotic relation with the Niyamgiri forests.

In addition to this, both culturally and ecologically, the Niyamgiri hills are extremely rich and significant. They are the source of the Vansadhara river as well as a major tributary of the Nagavali river. This region has some of the most pristine forests in Orissa, and is home to a number of vulnerable wildlife species including the tiger, leopard, sloth bear, pangolin, palm civet, giant squirrel, mouse deer, langur and sambhar.

It is also on the path of the migration corridor of elephants, and comes within the territory of the Royal Bengal Tiger. In view of its ecological importance, it has been declared a game sanctuary and has also been proposed as a wildlife sanctuary in the working plan of the Kalahandi forest division. The state wildlife organisation proposed in 2004 to declare the area as the south Orissa elephant reserve.<sup>3</sup>

## Usurpation of Indigenous Land

Ignoring the importance of the socio-cultural and environmental aspects of Niyamgiri hills, the Orissa Government has made all-out efforts to bring resource-intensive mode of development that would create ecological instability and violate the fundamental rights of thousands of people. Worse, it has reached an agreement with a company (Vedanta Alumina), which is ranked as one of the most dangerous and damaging mining outfits in the world.<sup>4</sup> Recently, the Norwegian Government sold its entire stake in Vedanta Resources Plc, a mining and metals company with a significant presence in India, and operations in Zambia, Australia and Armenia because of what one Norwegian Government official referred to as ‘environmental and human rights violations’ by the firm and for ‘grossly unethical practices’.<sup>5</sup> The Orissa government has, however, welcomed the company to invest in the state and reached an agreement to provide all kinds of support to carry out its mining activities in Niyamgiri hills.

The 2004 agreement between the government of Orissa and Vedanta has given Vedanta broad powers over the local population and resources, including the right to usurp land, water, and other

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2 For more details, see P S Daspatnaik, ‘Ownership Pattern, Land Survey and Settlement and Its Impact on the Dongaria Kondhas of Orissa’ published in *Adibasi* journal in January 1984, Vol XXIII, No 4, p 26.

3 See Kanchi Kohli (2006), ‘Mine? What Mine? Ah, Yes, the Mine’, [www.indiatogether.org](http://www.indiatogether.org). Also, see the report of the Central Empowered Committee submitted to the Supreme Court of India in September 2005.

4 See Comment by Nostromo Research titled ‘Norwegian Government Indicts Vedanta as ‘Grossly Unethical’’, London, November 12, 2007, available at <http://www.minesandcommunities.org/Action/press1711.htm>.

5 See Padmaparna Ghosh’s article ‘Norway Government Fund Sells Its Vedanta Stake’, New Delhi, November 7, 2007. Available at <http://www.minesandcommunities.org/Action/press1711.htm>.

natural resources. This usurpation of indigenous land is particularly harsh in view of the Dongarias' cultural and religious association with the Niyamgiri hills, which they regard as the most sacred land. According to the Memorandum of Understanding (MoU) signed by SIIL and the government of Orissa on June 7, 2003, SIIL would set up an alumina complex, which includes 1.0 million tonnes per annum (MTPA) of alumina refinery plant, 3.0 MTPA of bauxite mining and 75 mega watts of captive power plant at Lanjigarh in the district of Kalahandi at an aggregate investment of approximately Rs 4,000 crore. For the Dongarias, the conflict with Vedanta has begun with the company taking away their territory. In such a situation, thousands of tribal people protested against the Vedanta Resources alumina refinery being set up in the Lanjigarh area and vowed to stop the \$874 million project.

India's national laws have, however, enabled Vedanta's free reign. The laws do not comply with international human rights standards; they offer no adequate respect for community land rights, no rights of refusal or of informed consent, and no effective protection for traditional livelihoods and cultures. While there has been fundamental changes in the common law countries recognising occupancy rights and entitlement rights of indigenous people, the legal regime in India governing natural resources grants near-total control to the government under the "eminent domain theory". A close look at the evolution of environmental laws in US, Canada, Australia and New Zealand, reveals that the developments in India are far behind the developments in these countries.<sup>6</sup> For example, American Constitution law has established that the native Red Indian tribes have full rights to common ancestral lands as well as entitlements to the benefits arising from the resources and the public use of such lands. In Canada, occupancy rights of the tribals over their common land have been established through various court judgments. The constitutional rights of the natives have also been affirmed in the first Canadian Constitution of 1981. The Australian Aboriginal Land Rights (Northern Territory) Act, 1976 and Pitajantjatjara Land Rights Act 1981 have also ensured tribal peoples' entitlements to their ancestral lands.

The recent enactment of Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 in India for the first time recognises a right to hold and live in the forest land under the individual or common occupation for habitation or for self-cultivation for livelihood by a member or members of a forest dwelling scheduled tribe or other traditional forest dwellers.<sup>7</sup> The act undoes what colonial forest regime had done and provides for rights to conserve, protect and regenerate. It also attempts to redistribute power between communities and bureaucracy, and seeks to create a new democratic system of forest governance. But if the recent stand of the Orissa Government towards the SIIL is any indication, then the agreement has violated the Forest Rights Act as the state government has not taken the local communities, especially the tribals, into consideration.

## **Economic Aggression**

In fact, the Orissa Government has treated opposition to economic 'development' as a crime of subversion, often acting with aggression against indigenous communities seeking to retain their customary lands or to participate in decision-making regarding use or management of natural resources.

6 See Upendra Baxi (1985), 'Environmental Law: Limitations and Potentials for Liberation' in J Bandyopadhyaya, N D Jayal, U Schoettli and C Singh (eds), *India's Environment: Crises and Responses*, Natraj Publishers, Dehradun.

7 For more details, see Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, Chapter 2, 3 (a).

As the company is constructing its mining base camp, roads, and other infrastructure, local villages are forced to relocate and are barred access to land now under the company's control. Meanwhile, the state government and police – provisioned by Vedanta and operating with a mandate to protect the company – have made all efforts to crack down ruthlessly on those who have protested the invasion.

In their protest, the local people including the Dongarias consistently speak about the loss of human dignity and the mistreatment – physical, psychological, spiritual, and economic – they have experienced since Vedanta, its agents, and its by-products (subcontractors, police force and others) arrived there. *Down to Earth* (2007) quoted a villager as saying, “There is no way we are going to leave. This mountain is our mother; it has sustained us for generations.” Through their struggle, local communities with help of like-minded activists and NGOs appealed to the Supreme Court of India to restore the rights of tribal people and forest resources in the Niyamgiri hills.<sup>8</sup> The Central Empowered Committee (CEC) of the Supreme Court has found illegalities in central government clearances to the Sterlite Industries' bauxite mining project in the state. The committee has recommended (to the apex court) against diversion of forest lands for the project. Furthermore, the CEC highlighted that the area allocated to the company forms part of schedule V area as specified by the Constitution. Schedule V provides protection to the adivasi people living in these areas. No land in these areas is allowed to be transferred to non-tribals.<sup>9</sup> The Supreme Court's ruling on November 23, 2007 delighted the tribal people as it barred Vedanta Resources from mining bauxite in the Niyamgiri hills.

However, the decision offered the tribe only a temporary reprieve, as the court ordered the company's Indian unit, Sterlite Industries,<sup>10</sup> to come back with a new proposal for the project. The court has also provided an escape clause for the mining giants, by setting up a Special Purpose Vehicle (SPV), which would have to ensure that environmental regulations are complied with. The project entails development of the bauxite mines at the Niyamgiri hills near Lanjigarh in Kalahandi district and the Khambasi hill in the adjoining Rayagada district. Once the requirements of employment of the displaced persons and tribals and protection of wildlife are taken care of, the companies can approach the court again for its green signal.

The local people continue to protest even today after the Supreme Court's rejection of their appeal to stop mining activities totally in the Niyamgiri hills. The future is uncertain. Yet by taking a determined stand in defence of their rights, the local people have drawn the attention of civil society groups operating across the country as well as the urban intellectuals. Their struggle underscores the urgent need for more successful mechanisms for safeguarding the socio-cultural and environmental rights of communities and for governments and corporations to adopt international human rights instruments and 'best practice standards'. In short, the Dongaria Kondha's experience demands strong support from all sections of the society to protest against the anti-human and anti environment development plans that threaten to devastate communities and the natural environment in the name of corporate profits and 'trickle-down development'.

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8 Biswajit Mohanty of Wildlife Society of Orissa, Prafulla Samantara and Academy of Mountain Environics have filed application Nos 564, 571 and 579, respectively before the CEC against the establishment of the project.

9 For more details, see Central Empowered Committee Report (2005) in IA 1324 regarding the alumina refinery plant being set up by Vedanta Alumina at Lanjigarh in Kalahandi district, Orissa.

10 Sterlite Industries is a public limited company manufacturing aluminium and aluminium products. Other major Sterlite group companies operating in India include Sterlite Optical Technologies, Bharat Aluminium Company (BALCO) and Hindustan Zinc (HZL).

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**PART ELEVEN**

**DALIT RIGHTS**

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# Denies Scheduled Caste: Their Right to Development

*Ashutosh Kumar Vishal\**

**T**he Indian economy is getting strengthened very rapidly in terms of foreign reserve. The number of millionaires and billionaires have increased. The finance minister and many policymakers and economists are giving more importance to get the growth rate of 9-10 in coming years. The real question which is striking what this economic development mean to the marginalised section particularly SCs and Tribes. Has this growth reflects in their socio-economic life? Does the development measures taken by the government really meeting the demand and need of these sections? The article focus on the Budget because this is the statement government make every year to the country what are their priorities and policies towards the economic and social development of the country.

Development is a process in which resources and technology is used in best possible manner for progress of a country, region, sector or section of society without hampering similar chances of another social or under-developing some other region. One way of seeing of development is in terms of the expansion of the real freedoms that the citizens enjoy to pursue the objectives they have reason to value, and in this sense the expansion of human capability can be, broadly seen as the central feature of development. For SCs the economic development is to be understood in terms of bringing them out of their degraded social status, acute poverty and brutal exploitation and making them share the economic growth with equity.

## **Caste System and Economic Development**

The Indian society has been a caste society which sanctioned the role, status and occupation of each caste and disallowed any social mobility through religious, social and economic sanctions. The religious scripture played important role and any disapproval to the established norms were replied with the boycott, punishment and atrocities. SCs were the most sufferers and hence their socio, economic and political conditions remained precarious and humiliated. The constitution

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\* The author is associated with the National Campaign on Dalit Human Rights

guaranteed equality before the law, abolishment of untouchability and also made provisions for the special attention given to SCs so that they can not be left from the development. Sixty years have passed and several development measures were initiated for the welfare of SCs the situations are not encouraging.

### **Stark difference of SC development indicators**

	<b>All India</b>	<b>SC</b>	<b>Non SC/ST</b>
Infant Mortality Rate	73	83	68
Literacy	65	55	69
Undernourished children under 5	47	54	44
Households without access to Health care	40	44.15	37.15

NSSO Survey, NFHS, Census 2001 and IIDS Data

The infant mortality rate in SCs is 83 percent and child mortality rate is 39 percent which is higher than non SCs who have IMR and CMR 61 percent and 22 percent respectively. 56 percent of SC women suffer from Anaemia. The morbidity among SC children is also high, more than 3/4<sup>th</sup> of SC children are anaemic. More than half of the SC children suffers from malnutrition and under nutrition. Malnutrition is generally considered a common disseminator of deprivation that reduces child survival. According to 2001 census, the literacy rates for both SC/STs were lower as compared to the non-SC/STs. Literacy rate at all India level is 65 percent whereas for the SCs it is 55 percent compared to non SCs which is 69 percent. The literacy rate was particularly low among the SC women (41.9%). School attendance was about 10 percent less among SC boys than other boys, while the difference among girls was about 5 percent.

The indicator of undernourishment (in term of minimum weight for age) of the children is much higher for SC children - 54 percent for SC and 44 percent for non SC/ST. Similarly, undernourishment reflected in terms of stunting ( in terms of height for age ) was 52 percent for SC children and 43 percent non SC/ST children.

In 2000, overall, an average of about 40 percent persons/households did not have access to public health services. The percentage of persons/house holds was lower among SCs as compared to non-SC/ST. The percentage for the SC was 44.15 and for non SC/ST were 37.15.

### **SC Access to Resources**

	<b>All India</b>	<b>SC</b>	<b>Non SC/ST</b>
Monthly Per Capita Expenditure	361	Rs.285	Rs.393
Poverty	26	37	21
Aggregate Capital Assets	78783	49189	134500
Landless	7.8	10	6.2

NSSO Survey,NFHS,Census 2001 and IIDS Data

In year 200, at all India level, the Monthly Per Capita Expenditure for SCs was Rs. 285 much lower than the non-SCs which were Rs.393. With lack of access of fixed source of income and low wage earning and under employment the SCs suffers from high incidences of poverty. In 2000, in the rural areas about 45 percent of SCs were poor compared to 21 percent among the non SCs. Compared with the non SCs, the incidence of aggregate poverty was 70 percent higher among SCs. About 80 percent of the SCs live in rural areas. In 2000 out of the total SCs households only 16.8 percent of them pursued cultivation as an independent self employed occupation, whereas the others, non-SC/ST the percentage was more than double (41.11%). About 28 percent of SCs households had acquired some access to fixed capital assets compared to 56 percent for others households. The percentage of landless households among the SCs in rural areas is about 10 percent as compared with 6 percent for Non-SCs households. The percentage of landless and near landless among SCs is about 75 percent as compared to 54 percent for the non-SCs.

### **Gender Difference**

The development of any group /community is marked by the development of women within that group/community. In 2001 about 57 percent SCs women workers in rural areas were agricultural labourers. Only 21 percent were cultivators compared to non-SCs who were 45 percent as cultivators. In rural areas 2.1 percent of SCs women were unemployed out of the labour force as compared to 1.4 percent for non-SCs/ST women. A large number of SCs women are engaged in unclean occupations such as scavenging. SCs women who work as wage labourer faced discrimination in wage earning particularly in urban areas. In 2001, the SC women casual wage labourer received daily wage earning of Rs. 37 compared to Rs.56 for non-SC/ST (Report on Working Group on the Empowerment of Scheduled Caste, Eleventh Five Year Plan). In 2001 the literacy rate was lower among the SCs women (41.9 percent) as compared to 58.2 percent for general female population. Beside low literacy rate another problem of SCs/ST women was the high drop-out rate among them. SC women have the worst health indicators, such as high maternal mortality rates and low nutritional status measured by Body Mass Index (BMI). The women from the SC groups have poorer level of nutrition as compared to non-SCs/ST women. In 1999/2000, among SC women, 42 percent had low BMI as compared to 33 percent of non-SCs women. The maternal mortality rates are higher for SCs women because of lack of access to health services both public and private. SCs women are subjected to constant harassment and violence from non-SCs.

The data based on the study of NSSO, NFHS survey 2005-06, Census 2001, IIDS Data Bank and Report on Working Group on the Empowerment of Scheduled Caste, Eleventh Five Year Plan figures out how SCs are still out of the mainstream of Indian society. It also questions the ineffectiveness of the development measures taken by the government. Does the budgetary allocations made for the welfare schemes directed towards SCs were in proportion to the need of the SCs to come out of these inhuman conditions? It is imperative to study the special component planing in this context because this was a nouvelle and path breaking policy which differed from the previous development schemes. Had the centre as well state government followed its principle the conditions of SCs would have changed drastically.

### Special component Plan (SCP)

The Special component Plan (SCP) is a special strategy, which was adopted during 1979 by Planning Commission (Sixth Five Year Plan) with the prime objective of giving special and focused attention to social, economic and educational needs of Scheduled Castes (SC).

Under this strategy, states/UTs and central ministries are required to formulate and implement SCP as part of their Annual Plans by earmarking resources from each sectors of the plan in proportion to the SC population. The targeted flow of resources through SCP is intended to provide additional benefit to the SC population, over and above what they would get through the normal Plan. This is necessary to bridge the gap between the general population and SCs in terms of different indicators of development. Several recommendations and instructions were circulated to all ministries/ departments for the implementation of SCP. Separate Codes 789 was allotted and a copy of letter No. T-14018/25/95-Codes/336 dated 01.09.1995 was circulated with the correction slip No. 251 dated 16.01.1995 for incorporation in para 3.8 of general direction to LMMHA (List of Major & Minor Heads of Accounts) by controller auditor general to all concerned in states/UTs and union of India. In spite of all these attempts no ministries/departments have been following the instructions no allocations are made under SCP and no separate code is opened. Looking at the gaps in allocations and implementation planning commission in 2005 again gave the following instructions:

1. Earmarking of funds for SCP from total State plan outlay at least in proportion to SC population
2. Making SCP funds non divertible and non lapsable
3. making the social welfare department/the department concerned with the development and welfare of SCs as the nodal department for formulation and implementation of SCP
4. Placing the earmarked funds at the disposal of nodal department concerned, which in turn will reallocate the funds to sectoral departments for implementation of schemes directly relevant to SC development
5. Placing the earmarked funds for SCP under separate budget head/subhead for each development Department

It is disheartening to observe that since 1979 from the very beginning SCP has not been implemented at central and state level according to its mandate. From planning to implementation of SCP ministry/ departments are blatantly violating the directions. Allocations under SCP in central ministries in recent past 5 years has been very low. The total Denied amount to SCs in 5 years goes up to Rs. 72,534.10 crores. The figures of allocation are a mute witness to the history of denial of exclusion. It is not only for the last five years, this trend is observed for the last 28 years since the inception of SCP.

#### Total Amount Denied to SCs - 2005-2010

(in Crore)

Financial Year	Total Plan Expenditure*	Due as per SCP	SCP Allocation	Denied Amount
2005-06 (RE)	113043	18312.966	6578.59	11734.38
2006-07 (RE)	134757	21830.634	8473.94	13356.69

2007-08 (RE)	158491	25675.542	12367.77	13307.77
2008-09 (RE)	183528	29731.536	14727.02	15004.52
2009-10 (BE)	212431	34413.822	15280.08	19133.74
<b>Total Amount Denied to SCs - 2005-2009</b>				<b>72537.10</b>

\* Plan Expenditure excluding Central Assistance to States and UTs with legislature,  
**Source:** Expenditure Volume I and II 2009-10

This year the total plan outlay is Rs.2,12,431 crores and as per the special component plan the SCs are liable to get Rs. 34,413.82 crores. The total allocation under SCP is only Rs.15,280.08 Crores. The amount denied is Rs. 19,133.74 crores. The percentage allocated to SCs is a meagre 7.1 percent of the total plan outlay. As per the policy, 16.2 percent, is the amount that should have been allocated. This is even lower than the last year allocation which was 7.5 percent. The share of expenditure on SCs from Total expenditure is lowered to 1.74 percent from 1.93 percent similarly centre share for SCs to the total GDP at current market price 6021426 is only 0.28 percent.

### Budget Allocations in Total Plan Outlay Under Special Component Plan for SCs – 2009-2010

(in Crore)

Financial Year	Total Plan Expenditure*	Due as per SCP	SCP Allocation	Denied Amount	% SCP to Total Plan Expenditure
2009-10 (BE)	212431	34413.82	15280.08	19133.74	7.19

\* Plan Expenditure excluding Central Assistance to States and UTs with legislature,  
**Source:** Expenditure Volume 1 and 2 ,Budget at Glance

Dept./ Ministry	Total Plan Allocation (BE)		SCP allocation (BE)		% Allocated	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Ministry of Labour and Employment	771.5	800	0.6	2.26	0.08	0.28
Department of Science & Technology	1530	3630	3	3	0.20	0.08
Department of Biotechnology	900	900	2	1.99	0.22	0.22
Ministry of Social Justice & Empowerment	2400	2400	1826.05	1818.11	76.09	75.75
Department of Agriculture and Cooperation	12865.67	12839.3	249.2	236.23	1.94	1.84
Department of Information Technology	1680	2380	22.4	31.6	1.33	1.33
Ministry of Culture	600	700	3.6	3.98	0.60	0.57
Department of Health and Family Welfare	15580	15580	1871.4	1859.19	12.01	11.93

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Department of School Education & Literacy	26800	26800	4225.6	4305.92	15.77	16.07
Department of Higher Education	7593.5	7596	1043.6	1153.47	13.74	15.19
Ministry of Micro, Small and Medium Enterprises	1794	1794	406.08	222.54	22.64	12.40
Ministry of Panchayati Raj	4780	4780	20	29.88	0.42	0.63
Department of Rural Development	31500	51670	2876.6	4285.7	9.13	8.29
Ministry of Textiles	2500	2500	89.2	88.8	3.57	3.55
Union Territory	304.65	305.6	11.28	7	3.70	2.29
Ministry of Women and Child Development	7200	7200	1134	1201.95	15.75	16.69
Ministry of Youth Affairs and Sports	890	1490	3.88	28.46	0.44	1.91
<b>Total</b>	<b>183528</b>	<b>212431</b>	<b>13788.49</b>	<b>15280.08</b>	<b>7.51</b>	<b>7.19</b>

\*Plan Expenditure excluding Central Assistance to States and UTs with legislature, Source: Expenditure Volume 1 and 2, Budget at Glance

Out of 75 departments in the union ministries only 16 have allocated under SCP. 9 departments/ministries have allocated token amounts below 5 percent. Labour and employment, science & technology, bio-technology, *panchayat raj*, textiles are some of the examples. Ministry of HRD, social justice & empowerment, rural development, women and child development and ministry of health and family welfare are the departments who have made allocations as per the proportion of the population. The nodal ministry, ministry of social justice and empowerment has retained the same pattern of allocation with some minor changes. It has increased Rajiv Gandhi Fellowship from 75 crores 2008-09 BE to 87.94 crores in 2008-09 RE but again decreased it to 79 crores 2009-10 BE. Under utilisation of allocated fund is also the major concern for example the scheme of pre-matric scholarship for children of those engaged in unclean occupations-only Rs.2.37 crore has been released against the budget estimates of Rs.54 crore for 2008-09.

## Conclusion

The paper clearly shows the socio economic conditions of SC in India and in spite of having a strategy which can change the whole conditions in ten years only if implemented properly, SCP has not been taken seriously by the all governments, which shows how insensitive they have been towards SCs. This is a denial of right to development for SC. There is no monitoring mechanism developed to monitor the flow to the beneficiaries. Planning commission working

group on empowerment of SC has suggested following recommendations for the improvement in the mechanism of SCP in 2007:

- A fresh classification of ministries into regulatory and service oriented should be undertaken. Within service oriented Ministries, those engaged in activities, which are divisible in nature, should be made to strictly comply with the guidelines for formulation and implementation of SCP.
- Modalities should be worked out for earmarking of resources for such service oriented Ministries/Departments which implement infrastructure related projects.
- The earmarking of fund under SCP in proportion to SC population should be done by the planning commission at the time of deciding the annual plan for each ministry.
- Similarly the scheme-wise allocation of earmarked fund should be separately indicated under separate budget head by the ministries in consultation with planning commission.
- The planning commission should not accept the budget by the ministry unless it contains the scheme wise allocation under SCP.
- Ministry of social justice and empowerment should be the nodal ministry to oversee the effective implementation of SCP by the central ministries and also the state government.

The budget should represent the aspiration of all citizens of this country. It should focus on the marginalised community who have been traditionally been kept out from the main discourse. It is the task of the government to bring them in the whole process of development. The SCP can create ample space for SCs to play important role in the whole economy then why this apathy from the government side. Why the ministries which are driving economic growth and which can really turn SCs from mere beneficiaries to entrepreneurs, high skilled professionals, managers, contractors, share holders and etc keep mum. The Budget should allocate the due share of SCs and the programmes/schemes should encourage and open opportunities which empower them and make them self reliant.

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**PART TWELVE**

**MINORITY RIGHTS**

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# Union Budget and Development of Minorities

*Jawed Alam Khan\**

The United Nations, in order to strengthen the cause of the minorities, promulgated the ‘declaration of rights of persons belonging to national or ethnic, religious and linguistic minorities’ on 18th December, 1992, proclaiming that, ‘states shall protect the existence of the national or ethnic, cultural, religious and linguistic identity of minorities within their respective territories and encourage conditions for the promotion of that identity.’ In this regard, the Constitution of India has provided for protection of rights of minorities and their welfare. Table 1 summarises the same.

## **Box 1: Provisions in the Indian Constitution for Minorities**

Article 14 proclaims equality before law

Article 15 prohibits discrimination on the ground of religion.

Article 29 & 30 protect the interests of minorities and their right to establish administrative/ educational institutes.

## **A. Promises made by UPA Government and its Policy Initiatives**

According to Census 2001, religious minority groups constituted around 19 percent of the total population in India, which includes Muslims (13.4 percent), Christians (2.3 percent), Sikhs (1.9 percent), Buddhists (0.8 percent), Jains (0.4 percent) and others (0.6 percent). The analysis of socio-economic conditions of minority groups reveal a lot of variations in terms of development indicators amongst them. In this regard, the socio-economic situation of the Muslim population reflects poorly as compared to the other religious groups in general and within the minority groups in particular. While on the one hand, it is believed that the level of backwardness among Muslims is due to alienation from modern education (i.e. science, english and mathematics) both during pre and post-Independence, on the other hand, there has been a continued neglect on part of the centre and state governments to address the problems of minorities, especially with regard to the Muslim community. In this regard, no concrete policy measures have been taken in the post-independence period to improve the conditions of minorities.

\* The researcher is associated with the Centre for Budget and Governance Accountability.

In 2004, the United Progressive Alliance (UPA) Government in its National Common Minimum Programme (NCMP) promised to promote modern and technical education among all minority communities. Further, for social and economic empowerment of minorities, top priority was to be accorded to education and employment. The UPA Government also intended to enact a model comprehensive law to deal with communal violence and encourage the states to adopt the same to generate faith and confidence in minority communities.

### **Box-2: Promises Made by UPA Government in NCMP for Development of Minorities**

- Focus on social and economic empowerment of minorities
- Systematic attention to education and employment of minorities
- Enactment of a comprehensive law to deal with communal violence in order to generate faith and confidence in minority communities.

In order to translate the promises made in NCMP into policy action, a high level committee was constituted on March 9, 2005, under the chairmanship of Justice Rajinder Sachar. The objective was to prepare a comprehensive report on the social, economic and educational status of the Muslim community due to non-availability of authentic information on the same. Such information was needed for initiating concrete policy action. The Sachar committee submitted its report on November 17, 2006, which was tabled in both houses of the parliament on November 30, 2006.

The Sachar Committee recognised at the very outset that Muslims, like other minorities, faced multi-faceted challenges related to security, identity and equity. The report analysed the differentials between Muslims and other Socio Religious Categories (SRCs) in terms of demographic characteristics, level of education, conditions of employment, credit flows, participation in public programmes and access to infrastructure. The findings of the Committee revealed that the Muslim community lags behind in every aspect of socio-economic development.

In response to the recommendations made by the Sachar committee, Ministry of Minority Affairs (MMA) formulated an Action Taken Report (ATR). With almost a year having elapsed since the presentation of the ATR, the process of implementation of ATR has been tardy with important areas of intervention for welfare of Muslims, such as providing employment and economic opportunities, still not getting due attention of the policy implementing agencies. Besides, low budgetary support to the MMA and poor implementation of the scheme during 2006-07 and 2007-08 (Table 10.4 and 10.5) paint a disappointing picture and questions the sincerity of the Government towards the welfare of minorities.

This fact sheet largely focuses on examining the socio-economic conditions of minorities in India with special focus on the Sachar committee Report and examines the gaps in implementation of the Action Taken Report (ATR). The fact sheet has been divided into three sections. Section I highlights the NCMP promises, findings of the Sachar committee report and new policy initiatives. Section II deals with the budgetary allocations made under different ministries particularly by the MMA. Section III focuses on implementation of schemes in terms of outcome/output delivered by the MMA.

Table-1 Various development indicators comparing the Muslim community with the national average.

**Table-1: Key Findings of the Sachar Committee**

Variables	Muslims (%)	National Average (%)
Share in Population (2001)	13.4	-
Share in Total OBC population	15.7	-
Urban Population	36	28
Literacy (2001)	59.1	64.4
Out of School Children	25	-
Graduate	3.6	6.7
Diploma	0.4	0.7
Street Vending	12	4
Worker - Population Ratio	54.9	64.4
IAS	3	-
IPS	1.8	-
IFS	4	-
Poverty (2004-05)	31	22.7
Infant Mortality Rate	59	73

Source: Sachar Committee Report, 2006

Further, an important reason for marginalisation of the Muslim community has been the high level of exclusion from the mainstream employment sector. Table 2 reveals that the share of Muslims in government jobs is a mere 6.4 percent. The situation is worse in states with a greater share of Muslim population. For example, in West Bengal, Uttar Pradesh and Assam, while the Muslim population is 25.2 percent, 18.5 percent and 30.9 percent, respectively, their representation in government jobs is only 4.7 percent, 7.5 percent, and 10.9 percent, respectively. Only 4.5 percent of the railway employees are Muslims and of these 98.7 percent occupy lower-level positions. India's elite civil service corps has a miniscule 3.2 percent Muslims.

**Table-2: Muslim Representations in Government Jobs**

States	Muslims in Total Population (in %)	Muslim Representation in Govt Jobs (in %)
Assam	30.9	11.2
West Bengal	25.2	4.2
Kerala	24.7	10.4
Uttar Pradesh	18.5	5.4

Bihar	16.5	7.6
Jharkhand	13.8	6.7
Karnataka	12.2	8.5
Delhi	11.7	3.2
Maharashtra	10.6	4.4
Andhra Pradesh	9.2	8.8
Gujarat	9.1	5.4
Tamil Nadu	5.6	3.2
Total	15.4	6.4

Source: Sachar Committee Report, 2006

## B. Policy Initiatives

Taking into consideration the poor development indicators among the Muslim community, the sachar committee suggested policy measures and made specific recommendations covering four dimensions of development. First, mainstreaming and inclusiveness were to be the cornerstone of the policy framework for the Muslim community. Second, an urgent need was felt to increase the diversity in residential/ work places and educational institutions by incorporating Muslims. Third, more equity-based measures were needed to reduce the sense of discrimination that the community perceived. Fourth, availability of detailed information and formation of data bank to facilitate action and monitoring of schemes and programmes meant for minorities.

### Box-3 Important Policy Initiatives for Minorities by UPA Government

- The National Monitoring Committee for Minorities Education (NMCME) was constituted in 2004 to look into all aspects of education of minorities.
- Ministry of Minority Affairs was created on January 29, 2006 to deal with issues related to Minorities.
- A High Level Committee was constituted on March 9, 2005 under the chairmanship of Justice Rajinder Sachar to prepare a comprehensive report on the social, economic and educational status of the Muslim community
- The Sachar Committee submitted its report on November 17, 2006
- The details of follow-up of ATRs on the recommendation of Sachar Committee were presented in both houses of Parliament on August 31, 2007
- The follow-up of ATR has initiated many new schemes such as scholarship and coaching schemes, Multi Sectoral Development scheme for overall development of minorities and focus on research and development of minorities.
- Proposal to earmark 15 percent of the country's budget for religious minorities under Prime Minister's 15-point Programme from 2006-07
- A new scheme for leadership development of minority women was launched by Ministry of Women and Child Development (MWCD) in 2008-09

While reviewing the performance of UPA Government regarding initiatives taken for development of minorities during its tenure, we need to focus on the ATR and status of its implementation based on recommendation of sachar committee report. On the basis of ATR, MME devised new schemes for all-round development of minorities.

### **Box-4, Status of Implementation of ATR**

<u><b>ATR by Government</b></u>	<u><b>Status of Implementation</b></u>
<p><b>Special Development Initiatives</b></p> <ul style="list-style-type: none"> <li>• Targeted intervention in 90 minority concentrated districts</li> <li>• Improvement in civic amenities and economic opportunities in 338 towns.</li> </ul> <p><b>Access to Credit</b></p> <ul style="list-style-type: none"> <li>• Opening more branches of Banks in minority concentrated districts</li> <li>• Priority sector lending to minorities</li> </ul> <p><b>Access to Education</b></p> <ul style="list-style-type: none"> <li>• Promotion of girls' education</li> <li>• Provision for girls' hostels</li> <li>• Provision for scholarships for students</li> <li>• Dissemination of information regarding schemes</li> <li>• <i>Madarsa</i> Modernisation Programme</li> <li>• Recognition of <i>Madarasa</i> certificate to Universities</li> </ul> <p><b>Skill Development</b></p> <ul style="list-style-type: none"> <li>• Promotion of skill development initiative</li> </ul> <p><b>Promotion of Social Inclusion</b></p> <ul style="list-style-type: none"> <li>• Equal opportunity commission</li> <li>• Diversity index in areas of education, housing and employment</li> <li>• Compilation of national data bank</li> <li>• Autonomous assessment and monitoring authority</li> </ul>	<p><b>Special Development Initiatives</b></p> <ul style="list-style-type: none"> <li>• Multi Sectoral Development Scheme has been launched.</li> <li>• Inter- ministerial task force was set up to look into the matter.</li> </ul> <p><b>Access to Credit</b></p> <ul style="list-style-type: none"> <li>• 496 branches opened in 2007-08</li> <li>• RBI revised Master Circular to lend minorities from 9 percent to 15 percent over the next three years</li> </ul> <p><b>Access to Education</b></p> <ul style="list-style-type: none"> <li>• 270 KGBVs sanctioned in blocks with more than 20 percent minority population</li> <li>• No concrete action has been taken</li> <li>• Many schemes have been launched</li> <li>• A scheme has been started in this regard.</li> <li>• Scheme is being revised to make it more attractive</li> <li>• UGC asked to work out modalities</li> </ul> <p><b>Skill Development</b></p> <ul style="list-style-type: none"> <li>• Inter-ministerial group formed.</li> </ul> <p><b>Promotion of Social Inclusion</b></p> <ul style="list-style-type: none"> <li>• Report has been submitted</li> <li>• Report has been submitted</li> <li>• Desk has been created in the Ministry of Statistics</li> <li>• A cell was constituted in the Planning Commission</li> </ul>

**Source:** Ministry of Minority Affairs, GoI



## C. Public Spending during 2004-05 to 2008-09

There are three ministries /departments under the Union Government, namely Ministry of Minority Affairs (MME), Ministry of Women and Child Development (MWCD) and Department of Higher Education (DHE) which allocate funds for schemes specifically meant for minorities. The schemes include area intensive and *madarasa* modernisation scheme, national council for promotion of urdu language, national monitoring committee for minorities education (department of higher education), and Scheme for Leadership Development of Minority Women (MWCD). It can be seen in Table 10.3 that there has been a significant increase in Revised Estimates (RE) over the years. There are also many schemes being run by MMA which can be seen in Table 10.4. The following table shows the amount of allocation made by different ministries.

**Table-3: union budget Outlays under Different Ministries (in Rs. crore)**

Ministries/Department	2004-05 (RE)	2005-06 (RE)	2006-07 (RE)	2007-08 (RE)	2008-09 (RE)	2009-10 (BE)
Ministry of Minority Affairs	-	-	143.52	362.83	664.38	1016.5
Department of Higher & School Education	31.5	36	60.6	61.15	79.18	67.6
Ministry of Women and Child Development	-	-	-	-	4.5	4.5
Total	31.5	36	204.12	423.98	784.06	1088.6

Source: Expenditure Budget, Vol-II, union budget document for various years

The ministry of minority affairs had initiated a few schemes with scant budgetary allocation in 2006-07. Table 4 shows that there has been an increase in budgetary allocation for the schemes related to welfare of minorities (since the formation of the Ministry in 2006). Given the extent of backwardness of the Muslim minority community greater budgetary allocation is required. Most of the schemes run by the Ministry are based on the distribution of scholarships to students at different levels. A special scheme called multi-sectoral development has been initiated for overall development of the community. The scheme is being operated in 90 minority-dominated districts. Considering the coverage and level of backwardness of minority concentrated districts, this scheme needs more budgetary allocation.

**Table-4: union budget Outlays under Ministry of Minority Affairs**

(in Rs. crore)

S.No	Schemes	2006-07 (RE)	2007-08 (RE)	2008-09 (RE)	2009-10 (BE)
1	Secretariat	3.87	4.46	6.08	7.74
2	Grants-in –Aid to Maulana Azad Educational Foundation (MAEF)	100	50	60	65
3	Free coaching and Allied Scheme for Minorities	1.6	9	7.75	9
4	Research /Studies , Monitoring &Evaluation of Development for Minorities including Publicity	1	10.99	8.45	8.10

5	Merit-cum–Means Scholarship for Professional Courses	10	48.6	58.44	72
6	Pre-Matric Scholarship for Minorities		9	71.90	83.70
7	Post-Matric Scholarship for Minorities		54	62.93	76.50
8	Multi Sectoral Development Programme for Minority Districts		66.97	251.89	517.45
9	National Fellowship for Students from the minority communities	-	-	-	4.50
10	Grants-in Aids to State channelising agencies engaged in implementation of National Minorities Development & Finance Corporation (NMDFC)		9	1.80	0.90
11	Special Officer for Linguistic Minorities	1.04	1.23	1.74	1.98
12	National Commission for Religious and Linguistic Minorities	1.99	0.16	-	-
13	National Commission for Minorities (NCM)	3.67	3.63	4.55	5.28
14	Scheme for Leadership Development of Minority Women	-	-	-	0.45
15	Grants-in-Aid to <i>Wakf</i>	2.06	2.9	2.35	2
16	Computerisation of records of State <i>Wakf</i> Boards	-	-	-	.90
17	Investment in Public Enterprises	16.47	63	67.50	67.50
18	Grants in Aid to North East	1.82	29.44	59	93.50
	<b>Grand Total</b>	<b>143.52</b>	<b>362.83</b>	<b>664.38</b>	<b>1016.5</b>

Source: Expenditure Budget, Vol-II, union budget document for various years

## D. Development Outcomes and Outputs/Services Delivered through Govt. Interventions (2004-05 to 2008-09)

During 2006-07, following the recommendations of prime minister’s 15-point programme, various ministries like human resource development, labour and employment, housing and urban poverty alleviation, rural development, and women and child development made separate allocations for minorities in their ongoing schemes. But the implementation and outcome of various schemes in the initial phase was found to be very weak, later on it showed some sign of improvement. The central government has made some headway in achieving the physical targets for minorities in few centrally sponsored schemes like *Sarva Shiksha Abhiyan (SSA)*, *Swarna Jayanti Gram Swarajgar Yojana (SGSY)*, *Indira Awas Yojana (IAY)*, *Swarna Jayanti Shahari Rozgar Yojana (SJSRY)*, Integrated Child Development Services (ICDS) and Jawahar Lal Nehru National Urban Renewal Mission (JNNURM). As per central government report, the proportion of priority sector lending flowing to the minorities has increased from 9 percent to 15 percent over the last three years. A review of employment carried out by the central government has found that minority community

members constitute a mere 5 percent of the total direct recruitment made by different ministries during 2007.

For 2006-07, the MMA in its outcome budget has shown that programmes like MAEF and NMDFC programme have achieved 100 percent target, 47,783 people have benefited under NMDFC. Under the free coaching and allied scheme, the financial achievement was merely 26 percent, while 690 candidates benefited from the scheme. The outcome achievement for 2007-08 can be seen in the table given below.

**Table-5.: Performance Achievement during 2007-08 (i.e. up to 15.02.2008)**

(In Rs. crore)

S.N	Schemes/Programmes	Financial Targets	Financial Achievement	Out put/Outcome delivered
1	Grants-in –Aid to Maulana Azad Educational Foundation (MAEF)	50.00	50.00	No physical targets were fixed
2	Free Coaching and Allied Scheme for Minorities	10.00	2.00	620 candidates benefited
3	Research /Studies , Monitoring &Evaluation of Development for Minorities Including Publicity	6.00		It was revised to 11.59 crore for multi media campaign on social inclusion
4	Merit-cum –Means Scholarship for professional courses	54.00	12.05	Scholarships sanctioned to 4895 student
5	Pre-Matric Scholarship for Minorities	80.00	-	Was not able to deliver output due to late approval of the scheme
6	Post-Matric Scholarship for Minorities	100.00		Was not able to deliver output due to late approval of the scheme
7	Multi Sectoral Development Programme for Minority concentrated districts	120.00	-	Financial target was revised to 74.41crore,programme is waiting for approval
8	National Minorities Development Finance Corporation, equity contribution	70.00	47.14	

Source: Ministry of Minority Affairs, Outcome Budget, 2008-09

## **E. What the Interim Budget 2009-10 has to offer?**

- There is a marginal increase to the tune of Rs.3 crore in the total budgetary allocation in 2009-10 by the MMA. It is almost same as in 2008-09
- The revised budget estimates show a disappointing picture in terms of decline (35 percent) under various schemes implemented by the ministry.

- The allocation under the scheme **Multi Sectoral Development** for filling up the development deficit in minority concentrated districts has increased from Rs.485.80 crore in 2008-09 to Rs.517.45 crore in 2009-10. The revised budget estimates under the same scheme shows a steep decline.

In 2009-10, the MMA introduced three schemes namely national fellowship for students from the minority communities (the objective of scheme is mentioned in the budget document), scheme for leadership development of minority women and computerisation of records of state *wakf* board.

## Conclusion

In the light of NCMP promises made in 2004, it is clear from our assessment that the UPA Government has taken many policy initiatives for betterment of minorities such as creation of a separate ministry, constitution of sachar committee, subsequently the implementation of sachar committee report and launching of various development schemes. But the outcome budget for the year 2006-07 and 2007-08 reveals that the financial achievement and deliverable outputs of various schemes implemented by MMA has been extremely poor. While there has been some progress in terms physical achievements in 15 point programme- in light of the recommendations of the sachar committee the policies to deal with the relative economic deprivation of Muslims (the largest and most backward minority group) in India should focus on some key areas. Firstly, Initiating policy reforms at state level and creating an appropriate institutional mechanism at all levels of government for better implementation of newly launched schemes for minorities. It also requires a definite timeline, a programme-specific strategy at planning and implementation level and clarity with respect to monitoring mechanisms and tools. Secondly, enhancing access to credit and economic support programmes, better access to education, improved employment opportunities and conditions and support for community initiatives is required on an urgent basis. Thirdly, a clear strategy and appropriate mechanism has to be devised to improve the representation of minorities in the legislature, defense establishment, police services, central and state administrations and public sector undertakings. Fourthly, inclusion of a separate sub-plan for minorities may be an instrument of inclusive development and mainstreaming of the Muslim community while respecting its diversity. Lastly, For better coordination between all 'regular line departments' and ministries at the national, state and district levels, steps needs to be taken together in the process of programme implementation, monitoring and evaluation.



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**PART THIRTEEN**  
**SOCIAL SECURITY**

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# Social Sector: Continuation of Past Priorities

*Himanshu\**

**T**he 2008-09 budget was the last full-fledged budget of the United Progressive Alliance (UPA) Government. It was also the last opportunity for the government to prove its commitments to the National Common Minimum Programme (NCMP). It was expected that this 'populist' budget will make some genuine effort to include the 'aam admi' in the growth process. Finance Minister P. Chidambaram did try his best to live up to this expectation. Unfortunately, this was more in the rhetoric than any genuine commitment to including the poor and marginalised in the growth process. A detailed analysis of the social sector allocations of the budget is a clear indicator of the wide gap in the rhetoric of inclusive growth and the actual allocations of the government to do anything for the common man.

Apart from being judged on the parameters set by the NCMP, the minimalist agenda that formed the basis for this government's claim of being a government for the aam admi, this budget also needs to be evaluated in the contemporary context of growing disparities in access to public resources by the excluded and marginalised sections of society. Despite the unprecedented growth rates seen in the last four years, the issues that matter for the aam admi remain the same, namely, rising unemployment, agrarian crisis, decelerating wages, worsening malnutrition and rising inequalities. In fact, some of these have now reached alarming proportions, primarily because the growth in national income of the last four years has done little to improve the well-being of the common man.

The human development index ranking of the country has worsened with India slipping in its ranking to 128 in 2007 from 126 in the previous year. Clearly, while the rich of the country were making money and being counted among the billionaires of the world, the aam admi was sliding down in his miseries. If the agrarian crisis and the accompanying suicides were less persuasive of the misery of the large population in rural areas, a recent report of the global hunger index of international food policy research institute, which placed India at 94 among 118 countries for which the index was calculated is surely a good indicator of the hunger and nutrition situation of the country. The ranking

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for child malnutrition was 117, with only Bangladesh as the country with worse malnutrition than India. These more or less mirror the disturbing trends seen in the last round of the National Family Health Survey (NFHS-3), which showed a slowdown in improvements in most of the indicators of nutrition with the worsening of the malnutrition situation in some indicators.

Some of these trends are a continuation of those seen since the beginning of the 1990s when the reforms started. The UPA Government, which came to power riding on the frustrations and disenchantments of the poor with the neoliberal policies initiated since the beginning of economic reforms, has done little to reverse these trends. Rising inequalities in all dimensions, particularly in the sphere of human development are a clear manifestation of the economic priorities of the government. Needless to say, the outcomes achieved are directly linked to the outlays made on the social sectors. A detailed analysis of the outlays on the social sector of this budget does not suggest any genuine effort of even addressing these issues, let alone allocating resources to these. Caught in its own trap of the fiscal responsibility and budget management act, the emphasis has been on window-dressing the budget with large doses of pro-poor rhetoric with very little increase in allocations. In some cases, there have been real declines in allocations with the projected inflation rate in the next fiscal year. This article analyses the allocations made in the 2008-09 budget for the social sector. In particular, we look at the spending in this budget on broad heads of education, health, *bharat nirman* and employment generation programmes.

### **Integrated Child Development Services**

The Integrated Child Development Services (ICDS) is the only programme that provides health and nutrition facilities to pregnant and lactating mothers, infants and young children. Given the large scale malnutrition among children and the slow improvements in their nutritional levels indicated by NFHS-3, one would expect higher allocations to this programme. This was also expected in anticipation of the government's commitment to fulfil the Supreme Court order of setting up 14 lakh *anganwadis* by December 31, 2008. However, the total allocation to the ICDS in this budget has increased from Rs 4,777 crore to Rs 5,665 crore (excluding north-eastern regions, for which the allocation increases from Rs 532 crore to Rs 634 crore). Of this increase of Rs 888 crore, Rs 783 crore are to be spent on the increased salaries of *anganwadi* workers and helpers – a welcome relief to these workers. That leaves an additional Rs 105 crore for this year to be allocated to all other components of the ICDS including supplementary nutrition compared to last year. However, as the finance minister also mentioned in his speech that only 9.32 lakh *anganwadis* out of the 10.52 lakh sanctioned *anganwadis* are operational. Needless to say, the present allocation is not only insufficient to cover the costs of existing *anganwadis* if one accounts for the projected inflation of 5-6 percent for the next fiscal year, there is almost no allocation for even operationalising the shortfall of 1.2 lakh *anganwadis*, which are sanctioned but not yet operationalised. This also implies that there is no allocation for new *anganwadis*, which is not only a gross violation of Supreme Court orders but also implies a real reduction in money allocated for each *anganwadi* in real terms.

### **Education**

One major area which required a big push was that of education. Despite the promise of spending 6 percent of GDP on education, the spending on education is not even 3 percent of GDP for the centre and states together. Inequitable access to education has been recognised as a major bottleneck for inclusive growth. This has been amply emphasised not only in the eleventh plan documents but also

in several recommendations of the national knowledge commission. Allocation on education in this budget has been increased by 20 percent compared to last year.

As stated by the finance minister, the focus of this budget is on enhancing allocation to secondary education for which allocations have increased substantially. The second important announcement is the extension of the mid-day meal programme to upper primary classes. Both of these are welcome steps in ensuring equity in educational achievements. However, there is a lack of corresponding allocations for these same objectives. The increase in the mid-day meal scheme is around Rs 1,200 crore with an additional 2.5 crore children being brought in the ambit of the mid-day meal programme. This is grossly inadequate and implies a decline in nominal spending per child from Rs 527 per child per year to Rs 518 per child per year. This is despite the fact that prices of food, which form the major component of spending on the mid-day meal scheme have increased on an average by 6 percent during the last year and are expected to grow at around same rate this year as well. In real terms, this decline is even more worrisome.

The disturbing part of the overall trend in spending on education is the tendency of the central government to abdicate its responsibility of spending on education. The premature shelving of the right to education bill is a clear example of this. But even for existing programmes, there is a minor decline in allocations to *Sarva Siksha Abhiyan* (SSA), the flagship programme for universalising elementary education. A part of this reduction is due to the changed spending pattern of the SSA, which shifts the burden of spending on the SSA to states gradually over the Eleventh Plan period. This will further raise the inequity in elementary education with states that have poor financial resources falling back on their commitments. But even for the central government budgetary responsibilities, a large part is already being covered by the education cess, which is now providing more resources with the additional cess of 1 percent for secondary education over and above the 2 percent cess for elementary education. For the 2008-09 budget, education cess accounts for almost 60 percent of the total outlay on education. With increasing tax-buoyancy and improved tax-GDP ratio, one would have expected the central government to match its rhetoric with its allocations. This does appear to be the case as far as secondary education is concerned with allocations on secondary education increasing by Rs 2,675 crore from Rs 2,465 crore in the last budget to Rs 5,140 crore in this budget. This is also accompanied by announcements to establish 6,000 model schools.

The increase in secondary education of Rs 2,675 crore is largely due to the allocation of Rs 1,967 crore, that is almost three fourths of the increased allocation for secondary education on the scheme for universalisation of access to and improvement of quality of education at secondary stage, also known as *Rashtriya Madhyamik Shiksha Abhiyan*. This increase appears substantial compared to the revised estimates of 2007-08 because of severe underspending on this programme where only Rs 1.15 crore were spent out of Rs 1,175 crore allocated last year. Another large allocation to the same programme in this budget surely deserves some explanation from the finance ministry.

Similar underspending is observed in the case of higher education allocations. Of the total plan allocation of Rs 6,480.5 crore made in the 2007-08 budget, the actual spending was Rs 3,262.35 crore. That is, only 50 percent of the total budgetary allocation made last year was actually spent. As against the total allocation of Rs 80 crore for setting up three new indian institutes of technology, only Rs 1 lakh was spent. As against the allocation of Rs 45 crore for upgradation/setting up of new polytechnics, only Rs 1 lakh was spent. Similarly, as against the total allocation of Rs 451.8 crore to the national mission in education through information and communications technology, nothing

was spent. However, a similar amount has been allocated again this year to the same programme. Part of the increased allocation on higher education last year was the provision for meeting the requirements of enhanced student strength following the oversight committee recommendations (under the chairmanship of Veerappa Moily, for extending the benefit of reservation to other backward class students in central universities and other institutes of higher education under the central government). However, this could not be spent due to the stay order of Supreme Court. Similar provisions have been made this year in the budget for higher education. Clearly, the emphasis is more on window-dressing the budget to show higher allocations than on making a genuine effort to spend what has been allocated.

### **Health**

Another area where the UPA Government's allocations fall far short of the promises made in the NCMP is the allocation for health. Despite a 15 percent increase in budget allocation to Rs 16,534 crore in 2008-09, the total spending of states and the centre together is less than 1 percent of GDP (0.99 percent), far less than the promised 2-3 percent of GDP. A large part of the expenditure on health is on the National Rural Health Mission (NRHM) at Rs 12,050 crore, an increase of 11.4 percent over the last year. This is far less than the government's promise of increasing the budget allocation to the NRHM by 30 percent in every budget. Moreover, of the total increase, only Rs 389 crore have been provided for rural sub-centres, which is grossly inadequate by its own norms and standards as laid down in the NRHM for universalisation of health services in rural areas. However, the move to exempt certain life-saving drugs from customs duty is a welcome relief.

The centre's tendency to abdicate its responsibility in providing healthcare in favour of the private sector is also evident from its move to encourage private hospitals in tier two and tier three towns by giving them tax exemptions. Instead of subsidizing private healthcare practices in rural areas, the government could have invested in public health facilities in these areas. On the contrary, there is a reduction in allocation for the premier All India Institute of Medical Sciences (AIIMS), the role model for public health institutions as well as many other hospitals. Overall, there is an increase of Rs 191 crore on medical institutions under the central government, which also includes an additional Rs 400 crore for setting up new AIIMS type institutions. Adjusting for the expenditure on new AIIMS institutions, there is an overall decline of Rs 209 crore in allocations for existing medical institutions. The centre's commitment to providing universal health-care is also obvious from its attempts to shift responsibilities and expenditure to state governments, which spend almost 85 percent of total public health expenditure. This is evident from the meagre Rs 205 crore allocated as the centre's share for the Rashtriya Swasthya Bima Yojana, which will provide insurance cover of Rs 30,000 to unorganised workers from Below Poverty Line (BPL) families.

### **Public Distribution System**

A major concern for the government, by its own admission, has been inflation and in particular, food price inflation. While the rhetoric has kept pace with the increasing inflation rate, there has been no effort to take any meaningful and concrete step towards mitigating the burden of food price inflation on the poor, considering that food price inflation hurts the poor the most with more than 60 percent of their consumption expenditure being spent on food. Food price inflation has continued its increasing trend despite the government's assurances to the contrary. No amount of blaming the international prices is sufficient to provide any excuse for the government to not increase spending

on food subsidy. This is even more imperative in view of the increased net of the mid-day meal scheme that serves 2.5 crore children. In response to all this, the increase in food subsidy has only been Rs 1,121 crore, from Rs 31,546 crore to Rs 32,667 crore; a decline in real terms especially in a year where food inflation is expected to keep its upward trend.

Moreover, despite criticism of the public distribution system (PDS) for poor delivery and leakages, a meagre Rs 48 crore has been allocated towards strengthening the PDS. Despite repeated demands by various chief ministers to correct the anomalies in the BPL survey, the finance minister has made ridiculous proposals such as smart cards. Moreover, recent moves to exclude the above poverty line population from the food safety net as suggested in the *Economic Survey* will further aggravate the problem in rural areas where there are large errors of inclusion and exclusion in identifying the BPL population. As the recent reports of the national sample survey on consumption expenditure show, roughly 50 percent of the poor (by planning commission methodology) do not possess BPL cards. Proposing smart cards as the answer for effective targeting is simply turning a blind eye to the whole issue of BPL identification, especially its anchoring with official poverty estimates.

## Rural Employment Programmes

One area where the government can take credit is the implementation of the National Rural Employment Guarantee Act (NREGA). Starting from 200 districts in 2006 and 330 districts in 2007, it is planned that this act be implemented in all rural districts of the country. The extension of the act to all rural districts is a welcome step in achieving the objectives of the NREGA. At the same time, it also reflects a positive response to the act, where it is presently being implemented despite the adverse reports on implementation. However, as many studies have shown, the benefits from the NREGA have surely outweighed the negatives. Even though the programme has been extended to cover 250 more districts, the increase in allocation on total rural employment programmes is only Rs 180 crore, that is less than a crore per district. Although budget allocation to the NREGA itself has increased from Rs 10,800 crore (revised estimates 2007-08) to Rs 14,400 crore in 2008-09, the actual increase in rural employment programmes is only Rs 180 crore because of the merging of the *Sampoorna Gramin Rozgar Yojana* (SGRY) with the NREGA. Spending on the SGRY in the last fiscal was Rs 3,420 crore. Taking that into account, the total increase in allocation on rural employment programmes is from Rs 14,220 in the last fiscal to Rs 14,400 crore in this budget.

Such emphasis on populism without any financial allocation will only subvert the gains achieved by the NREGA despite all odds. The percentage of expenditure on rural employment of total budget expenditure has declined from 2.56 percent before the introduction of the NREGA (in 2005-06) to 1.92 percent in the present budget. No wonder, the government is keen to extend the NREGA to all rural districts since it actually means a reduction in real terms on money spent on rural employment programmes.

## Bharat Nirman

Realising the need to integrate the rural economy in the growth fold, *Bharat Nirman* was projected as the most ambitious programme that could revive the rural economy. The programme, focusing on six core areas of irrigation as well as rural roads, rural housing, rural water supply, rural electrification and rural connectivity, was to give a boost to rural areas in a time bound manner to be completed by 2009. Till now, less than 60 percent of the targets have been met in four of

the components (irrigation, rural housing, rural water supply and rural roads) with only rural electrification and rural connectivity reaching the targets. This year, allocation to Bharat Nirman programmes is Rs 31,280 crore, which is roughly 27 percent higher than the allocation made last year. Although budget allocations have increased for all the components of the programme, the real increase is mainly for rural housing, partly because of the increase in unit cost of *Indira Awas Yojana* houses from Rs 25,000 to 35,000 per unit. The other two components, which have received enhanced allocations from this budget are schemes for rural roads and rural water supply. However, the increase in rural sanitation is only Rs 126 crore, which is clearly insufficient to achieve the targets set out in *Bharat Nirman*.

### Conclusions

Overall, this budget is a continuation of the economic and social priorities of the government, which is clearly manifested in the approach of the budgets of the central government of shifting the responsibility of financing social sector expenditures to states and involving private participation in it, both of which go against the larger objective of inclusive growth as mentioned repeatedly by the planning commission and the prime minister. Increasing regional disparities as well as disparities between various population groups on various human development indicators are a clear manifestation of the negative outcome of these policies. Moreover, budget statements only reflect the intention to spend, what matters ultimately is how well the money is spent. A large mismatch between allocations and spending as seen in the case of secondary and higher education shows the wide gap between empty rhetoric and actual implementation. Above all, it is a clear evidence of the lack of political will on the part of the government to spend on education and health, in particular and the social sector, in general.

Unfortunately, some of the fine print on social sector allocations as glossed over by the mainstream media in the euphoria of the debt waiver announced as a part of the budget speech. Surely, the debt waiver is a big relief to the distressed farmer community even though it took thousands of farmers' lives and a string of defeats in the electoral arena for the Congress to wake the finance minister up to the conditions of farmers. How much of this will actually benefit the farmers is questionable with a large section of indebted farmers out of the net of the institutional network. Secondly, the absurd criterion of using two hectare landholding as the cut-off for deciding beneficiaries does not benefit a large majority of the farmers in the arid regions of Vidarbha and Telangana, precisely the areas where most of the suicides are taking place. But more than that, this will remain a palliative rather than a cure for the suffering farming community.

The finance minister has yet again proved his oratory skills along with statistical jugglery to fool the common man into believing that the government is committed to improving the well-being of the aam admi. Unfortunately, the aam admi has become smarter over the years and has realised the value of his/her votes. The behaviour of the Indian voter has not only puzzled mainstream media psephologists but has also confounded votaries of neoliberal policies. Perhaps, the lesson learnt by the previous National Democratic Alliance Government was not clearly understood by the UPA Government. However, the blame lies entirely with them and not with the voter. If anything, the voter has been consistently sending out the message of rejecting neoliberal policies ever since the reforms were initiated. Those who fail to read the mind of the Indian voter will do so at their own cost.

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# Budget and Social Security Protections

*Dr. R.S. Tiwary\**

**T**he right to life: Article 21 assures right to live with human dignity, free from exploitation. The scope of this constitutional right has been expanded or modified gradually through different decisions of the apex court. Article 21 guarantees right to life and includes all those aspects which make a persons life meaningful, complete and worth living, a life of dignity and not just mere animal survival.

The right to life is deeply linked with human right; economic, social and cultural rights and labour rights; and the state is legally bound to create conditions and provide fulfilment with its policies.

We are a nation of 1200 million people of which over a 1000 million are population of unorganised informal working people (423.6 million unorganised informal workers and approximately 600 million dependents). These are the workers engaged in unorganised sector which encompasses small scale industries, cottage industries, micro units of production, construction, horticulture, agriculture, rural occupations, forest based employments, fisheries, sweeping-cleaning, loading-unloading, highly skilled jobs of software development, information technology, services, entertainment and thousands of many more occupations or avocations. These are employed or self employed or self employed, time rated or piece rated, casuals, contract workers, small farmers, sharecroppers, artisans, shopkeepers, street vendors, rickshaw pullers. Women and child labour constitute a large segment of unorganised workers. Unorganised workers are engaged in unskilled, semi skilled, skilled and in highly skilled occupations. Their wages or earnings are very low.

We have to examine and raise question; whether our all working people in informal and unorganised sector or occupations are getting right to live with dignity. Or they live like animals with varying degree of bondage or slavery. We need to examine whether these workers face all kinds of hostilities

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in employment or livelihood and denial of medical care, old age income protection. Are they on the mercy of state or employers, are they not cheated and condemned as poor. Do they deserve charity or a dignified human life?

In the era of globalisation, the insecurities of livelihood to self-employed workers, hawkers, vendors, marginal farmers, tribes, construction workers, migrant workers, artisans, displaced persons are growing. New kinds of labour bondage or slavery are flourishing in various sectors and occupations.

India's GDP is growing, like never before, more than 9 percent every year. 42206 million unorganised informal workers contribute more than 62 percent to GDP. Yet poverty, hunger and lack of basic resources still remain the reality of a large majority. The wealth created by them has been divided, among a few elites, industrialists, political leaders, landed gentry, caste and

Religious leaders and bureaucrats. In the midst of plenty, working people find their wages are not sufficient to meet their basic needs, there is nothing to fall back upon when they are a sick, out of job, work is not available, in old age. Traditional means of livelihood are vanishing, increasingly becoming unfeasible or are simply being snatched away. They have incomes that are barely enough to meet their survival needs let alone enable them to cope with any contingencies. They find education and health a distant dream as these are getting privatised and costly. The traditional social support systems are fast vanishing with nothing new being created to replace it.

In the market led economy where employment protection, health care, old age income protection, wage protection, social security facilities are outrightly rejected, the state sponsored social security system alone can provide right to life meaning fully and with dignity.

### **What is Social Security?**

Social security in the broad sense of the term means overall security for a person in the family, work place and society. It may then be understood as measures designed to ensure that all citizens meet their basic needs (such as adequate nutrition, shelter, health birth, child care, illness, disability, death, unemployment, widowhood and old age) to enable them to maintain an adequate standard of living consistent with social norms. It must also by implication include protection of livelihoods and a guarantee of work and adequate and fair wages, because without this, other contingency benefits have no meaning.

The right to social security represents an important legal guarantee aimed at ensuring the right of every Indian to live a life in human dignity. The implementation of that right is an essential precondition for the realisation of other related human rights, such as the right to an adequate standard of living, the right to health, the protection of mothers and children, and other rights enshrined in the various human rights instruments. Thus, the recognition of social security as a human right represents an essential bridge between needs-based charity to rights-based social justice.

**Constitution of India** also provides for right of equality, right to life, right of social protections in explicit and implicit manner. The overall spirit of the Constitution of India guarantee social security measures to the unorganised sector workers. Constitution of India provides the rights to equality

(Article 14), freedom of speech and association (Article 19) and rights against discrimination (Article 14) and exploitation such as right against traffic in humans and right against forced labour (Article 23), and right against child labour (Article 24).

The state is constitutionally bound to provide adequate means of livelihood, see that the health and strength of workers and tender age of children are not abused, and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength (Article 39 (a), (b) and (e)). The state shall make effective provision for security the right to work, to education and to public assistance in case of unemployment, old age, sickness and disablement, and in other cases of undeserved want (Article 41). The State should make provision for securing just and humane conditions of work and maternity relief (Article 42), endeavour to secure work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure (Article 43).

In the 'Universal Declaration of Human Rights' article 3 provides, "everyone has the right to life, liberty and security of person. Article 16 (3) provides, "The family is the natural and fundamental group unit of society and is entitled to protection by society and the State." Article 7 provides for equality before law and equal protection of law and non-discrimination. Article 7 provides for equality before law and equal protection of law and non security and is entitled to realisation, through national effort and international cooperation and in accordance with the organisation and resources of each state, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

Further Article 23 provides for right to work, employment, protection against unemployment, equal pay for equal work, the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

The ILO Convention NO. 102 includes 9 core contingencies that lead to stoppage or substantial reduction of earnings. These are sickness, maternity, employment injury, unemployment, invalidity, old age, death, the need for long-term medical care and for supporting families with children.

The explicit focus on Economic, social and Cultural (ESC) Rights is relatively new. The **COMMITTEE ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS IN GENERAL COMMENT No. 19** adopted on November 19, 2007 on article 9, the right to social security, has extensively described the social security rights and stated 'The obligation of states parties to guarantee that the right to social security is enjoyed without discrimination (article 2, paragraph 2, of the Covenant), and equally between men and women (article 3), pervades all of the obligations under Part III of the Covenant'. The committee recommended for state funding of social security and allocation of adequate fiscal and other resources at the national level.

There are many other international commitments made by the state; along with these, the constitution of India bind state to provide social security protection to all workers and to make adequate fund allocation for the monetary protections as also for infrastructure like hospitals, dispensaries, social security offices and administrative infrastructure to make the system accessible.



Despite binding nature of the commitments, constitutional provisions, election promises and NCMP commitments of UPA Government and legal position that without social security cover, right to live is virtually denied, why the state deliberately deny right of life with social protections and behave against people.

### **Budget**

The state budget includes the budgets of the central government, state governments, and municipalities. There is need to understand how these budgets are prepared and why the centre's **budget is kept secret** while in preparation stage. The municipal budgets are not such secret. The government may argue for keeping tax proposals or revenue part of the budget secret but keeping expenditure budget secret is not necessary.

The expenditure **budget preparation must be a transparent** process and proposals or schemes of expenditure should be open for public debate much before the finalisation of expenditure on plan and non-plan schemes, capital expenditure and performance in the past. The budget has large implications for the rate of growth of development, human resource development, reduction of poverty, provision of safety net for the poor and underprivileged, and so on. Every member of the public has, therefore, a vital stake in what finds a place in the budget and gets omitted there from. Neither public debate on budget takes place nor it is discussed in the parliament.

Lot of funds from particular heads are diverted, ministries surrender expenditure allocations on certain schemes. Last day of FY expenditure rush, denial of benefits to targeted groups etc. are general occurrences. The accountability of budget performance is ignored.

The Finance ministry prepares budget; Expenditure budget is important for us. The budget allocations are based on demands of ministry; ministry prepares proposal and finance ministry gives the financial approval in the proposal. Such approval is given or rejected on the basis of economic policies.

We expect the ministries in the centre and states frame their demands for grants as per the policy guidelines of economic ministries and planning commission.

The proposals of ministries of health, social welfare, labour and employment, rural development, housing and urban poverty alleviation, women and child development, panchayati raj, are examined in finance ministry before cabinet approval and then only such proposals are processed for budget grants allocations.. The FM cuts, modify, rejects. So generally short cuts of schemes are invented. Schemes do not require 100 percent expenditure. Only few persons operate the schemes and ministries have only to give or transfer grant-money.

**The Budget allocates funds** for welfare of various groups of people like dalits, adivasis, women, minorities, children, urban poor, displaced etc and for education, health, pension to aged BP citizens, food security, natural calamity management, assistance during disaster/accidents etc. But most of such allocations and expenditure are charity. A few schemes are prepared for the welfare of targeted groups and the funds are spent to benefit a few. Such expenditures are mere window dressing. It is

charity. The poor, the workers or the target group cannot claim the benefits under any law as rights. Such charity type of social assistance programmes are charity only and they even attack on right of dignity of working people. The social security protections are their rights.

## The Non-Plan Expenditure 2008-2009

Food subsidy (Rs. 32666.59 crore). The subsidy is provided to food corporation of India, which is the main instrument of the Government of India for procurement and distribution of wheat and rice under Targeted Public Distribution System (TPDS) and other welfare schemes.

Support for Market Intervention/Price Support Scheme for agricultural produce (Rs. 679 crore): market intervention measures are designed to ensure remunerative prices to framers.

## National Calamity Contingency Fund (Rs. 1800.00 Crore)

Social security and welfare (Rs. 695.38 crore). The provision includes Rs. 585.05 crore for pension and other benefits to freedom fighters, Rs. 39.13 crore for child and women welfare and Rs. 29.62 crore for the welfare of handicapped. Etc.

There are substantial non-plan grants to states and union territories for various welfare schemes.

## Plan Outlay

The outlay for the programmes under crop husbandry is Rs. 5901.80 crore. Out of this an amount of Rs. 3165.67 crore is for state a plan scheme '*Rashtriya Krishi Vikas Yojana*'.

Allocation has been made mainly for national food security mission, integrated oilseeds, oilpalm, pulses and maize development, rainfed area development programme, plant protection seeds, fertilisers, agriculture economics and statistics, crop insurance, horticulture activities (including Rs. 1100 crore for national horticulture mission and Rs. 500 crore for micro-irrigation).

Rural Employment: The *Sampoorna Grameen Rozgar Yojana* (SGRY) will be subsumed in the National Rural Employment Guarantee Act (NREGA) with effect from 1<sup>st</sup> April, 2008. The central outlay for National Rural Employment Guarantee Scheme (NREGS) is Rs. 16000 crore (including Rs. 1600 crore for north eastern region and Sikkim).

There are many other rural development schemes, *panchayati raj* strengthening programme etc. Land Reforms central allocation is Rs. 473 crores. Social services; for general education 34400 crore (Rs. 26800 crore for dept. of school education and literacy and Rs. 7600 crore for dept of higher education), for mid-day meal scheme Rs. 8000 crores.

Medical and public health: The plan outlay of the Department of Health & Family Welfare (DoHFW) is Rs. 15580 crores. The *Pradhan Mantri Swasthya Suraksha Yojana* gets provision of Rs. 490.00 crore. There is new *Aam Admi Bima Yojana* (AABY) which gets a loan (details not given in Ex. Budget). National Rural Health Mission gets 1072.22 crores.

Rural Housing: The outlay for rural housing is Rs. 5400 crore (oncluding Rs. 541 crore for north eastern region and Sikkim). The objective of *Indira Awaas Yojana* (IAY) is primarily to provide assistance for construction of dwelling units and up gradation of existing unserviceable kutcha houses for scheduled castes/scheduled tribes and non SC/ST rural families living below poverty line.

Women and Child Development: The plan outlay of the ministry is Rs. 7200 crore (includes Rs. 720 crore for NE & Sikkim) For Integrated Child Development Services Schemes (ICDS) allocation is Rs. 5665.20 crore.

Welfare of Scheduled Castes and Scheduled Tribes: An allocation of Rs. 2400 crore has been made for schemes/ programmes of the ministry of social justice & empowerment. For minorities Rs. 1000 crores are provided.

Finance ministry provides for loans and subsidy to various financial institutions, particularly insurance companies to fund for pension schemes, scholarship schemes etc. The expenditure provisions are made to strengthen PDS, loan waiver to farmers and disaster relief etc.

The state budgets also allocate funds for various social services under various schemes. For education, scholarship, tribal welfare, women empowerment, housing for poor etc. But these are scheme based and charity like.

Many other welfare schemes are in operation and funds are provided. There are many other small allocations in the plans of ministries. The UPA Government simply adopted a populist strategy to attract votes in the next national elections in May 2009.

All these expenditure allocations are partially social security expenditure and they do not effectively protect people. These include social security benefits but the allocations are scattered in various departments, ministries and other organizations which receive grants from the central government. Similar expenditures are allocated in the state budgets; which include major portion of grants from central budget and some state funding. However, these are scheme based, welfare oriented, and charity like expenditures. There are hundred of schemes with complex procedure and bureaucratic style of implementation. Thus only diluted benefits or protections reach to concerned group of working people. In the absence of backing of any law the beneficiaries have no legal claim. Under the schemes only meager amounts are given or very diluted namesake benefits reach to the people. Besides charity element place bureaucracy at higher level and the dignity is generally offended.

**If we club these expenditures** and the entire funds are used for social security protections as rights to concerned class of workers and adequate infrastructure is developed to deliver the benefits like medical care and old age protection, people will feel the actual benefits and justice.

The clubbing of social sector or social services allocations, or social security expenditure would create over one lakh crores rupees available exclusively for social protections; including additional protections to dalits, indigenous people, women, children and migrants. The reallocations could be

in such a way that existing benefits and facilities would not be reduced in any manner; if a part of expenditure is not directly linked with social protection, it would continue in the same manner. The grants to civil society organisations, crop insurance measures etc should not be withdrawn.

**The double-edged sword:** The issue of clubbing of various allocations for social expenditure requires debate. It requires in depth research study. The reallocations should not reduce the government financial responsibilities and the social security of unorganised informal workers must be their legal right. There is infact a danger in pooling these allocations because: I) all such social sector or social service allocations are not social security; a few may be considered 'additional social security protection' like housing or strengthening PDS administration ii) expenditure on education on scholarship or mid-day-meal may be considered as welfare and state responsibility only and not social protection of workers; iii) clubbing or pooling all these allocations would make the total sum more then 5 percent of GDP, although; iv) the entire pooled amount does not cover basic social security protections; v) the government may agree for the pooling or clubbing of expenditure and claim that they have now given sufficient funds for social security.

Such kind of proposal for clubbing the expenditure need to consider that only such allocations and part of such allocations be clubbed which are factually for social security of workers and their family, leaving other part of expenditure allocations as welfare and constitutional obligations of state intact. Thus the basis social security like medical care, old age pensions and medical care, income protections and compensations on accident or death and as detailed in ILO Convention 102 is the state responsibility. The cost of these basic social protections has been calculated. Therefore the attempt in the proposal for clubbing of scattered expenditure allocations need to incorporate basic social security funding requirements of 423 million workers, which is states' responsibility. The clubbing of expenditure is necessary with additional funding to ensure basic social security and simultaneous legislation backing.

The idea is that this exercise or proposal should not become double edged sward, and the government or other interest groups dare not misuse or misinterpret.

### **Cost calculation and funding Social Security**

The ILO report on 'Issues in social protection' (September 2006) gives some cost calculation of social security protections. The labour ministry in DGLW made rough calculations for certain welfare based social security in the year 2002 which calculated approximately 22000 crores for three social security benefits viz: health, life and old age. If other benefits like accidents, medical care in old age for self and family, maternity , unemployment benefits are included and these are calculated at 2007-08 prices for 433.6 million the amount at bare minimum would be around 50000 crores. And if the benefits are to be of dignified standards to fulfill aspirations of people the budget need to provide 5 percent of GDP and at least 90,000 crore from budgetary allocations. Based on DGLW calculations, the proposed legislations, the contributions of unorganised informal workers to GDP, which is approximately 62 percent, the government should provide adequate funds, not less then 75000 crores for 2008-09.

There had been suggestions for taxing international finance-capital transactions to generate enough funding (for global pension fund). Further the new service tax base expansion generate huge revenue which is generated by services rendered by workers in service sector. A part of the amount of service tax collection should be utilised on social security of workers. this aspect needs to be looked into by thirteenth finance commission.

The budget need to consider tax relief and support to protect small-scale industries and withdrawal of tax concessions and subsidies in power, water, land, etc. from large scale, industries, MNCs, SEZ units/industries. These issues need discussions, debates and research.

Another important aspect is the hidden pressure on government from private national and international insurance companies and fund managers to privates social security. Their objective is to get funds transferred for social security of 423 million unorganised workers. This is a process already set in. the also need debate and research. The neo-globalisation process is aggressively pursuing the agenda of market-based governance of social security protections and restricting rights of working people. However all the same in market-based economies the social security protections are rights of citizens on state as exercised in western and developed countries.

The economic and industrial policies of the government in respect of normalisation of employment, de-reserving small-scale industries, privatisation of public sector, land acquisitions for industries, heavy tax concessions and subsidised power etc, which form part of budget, also adversely affect right of social security protections or right of life of people.

Thus the comprehensive right-based law supported by adequate provisions of budget is the only instrument to ensure social security to working people in India. Budgeting can certainly be used as strategy to ensure human rights. The recommendation is to initiate debate, discussions and research studies. Finally this could be part of the ongoing massive campaign for asserting rights of social security. Unless an intensive massive campaign and movement is initiated the governments would continue to deny any kind of rights to working people, rather there would be more restrictions on their rights. The trend is to make working people slaves (new kind of bonded labour) by stripping them of all their rights.

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**PART FOURTEEN**

**CLIMATE CHANGE**

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# Public Policy on Climate Change and Environmental Protection in India: Some Key Issues and Challenges

*Gyana Ranjan Panda and Kaushik Ganguly\**

One of the major critical challenges facing the world in the 21<sup>st</sup> century world is the phenomenon of climate change. The major driving force behind this phenomenon is the uncontrolled expansion of human settlements and over-exploitation of natural resources pushing nature beyond its limit to absorb these anthropogenic interferences. Unmitigated mining of resources, particularly mineral oil and gas, to fuel the economic expansion of nations worldwide, is threatening the energy security of the entire developed and developing world. Also, accumulation of two words Green House Gases (GHGs)<sup>1</sup> in the atmosphere is having unprecedented impact on the climate system across the world. According to Inter-Governmental Panel on Climate Change (IPCC) 3<sup>rd</sup> Assessment Report on the state of climate, the decade of the 1990s have been the warmest decade and the year 1998 in particular was being the warmest year since instrumental recording began. The immediate effect of such global warming is already showing in the form of rise in sea level, depletion in snow cover and ice sheets, shift in rainfall patterns and rise in air temperature, which in turn is affecting watersheds and ecosystems across the world. In addition to these, extreme weather conditions have become a regular feature across the world, bringing untold misery to the populace both in the developing and the developed world. The economic costs associated with these extreme weather conditions leading to crop failures, loss of livelihood and lives are steadily growing higher. In case of small island countries, impact of phenomena like rise in sea levels and adverse weather conditions are even more telling as there arises possibilities of decline in habitable space, triggering large scale migration. While developed countries, in many ways, are better poised to tackle these issues, developing and Least Developed Countries (LDCs) face more misery because of acute shortage of resources and infrastructure. India, a developing economy, has got vast swathe

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1 There are four gases and two major groups of gases which constitute Green House Gases and are important for mitigation. Carbon Dioxide (CO<sub>2</sub>) accounts for 50 percent of the overall warming effects arising from human activities; Methane (CH<sub>4</sub>) accounts for 18 percent; Nitrous Oxide (N<sub>2</sub>O) 6 percent and Sulphur Hexafluoride (SF<sub>6</sub>) accounts for rest. Besides these, two major groups of gases --Hydrofluorocarbon and Perfluorocarbon -- are also responsible for global warming.



of its population living in poverty, depending mostly on weather conditions and natural resources for their livelihood, who are, thus, more vulnerable to the vagaries of nature. Alleviation of the condition of these people requires huge government intervention in terms of budgetary allocations and policy regulations for promoting sustainable means of livelihood. It also involves preventing over-exploitation of natural resources and building resilience of the society to extreme or erratic weather conditions. In addition, proactive initiative is also required from the government to build a national database on climate conditions and variations, promote research and development and create conducive atmosphere for assimilation of cleaner technologies.

The response of the international community to climate change has been almost unanimous and comprehensive. The United Nations Framework Convention on Climate Change (UNFCCC) provides the basis for collective action to mitigate climate change and lend a helping hand to developing and less developed countries to adapt to the effects of climate change. The overtly stated objective of the UNFCCC is stabilisation of GHGs in the atmosphere by curbing human interferences with the climate systems. This stabilisation of GHGs should be at an internationally agreed level and within a time frame that would enable ecosystems around the world to adapt naturally to climate change. The UNFCCC, however, does not lay down any explicit target for limiting the GHGs but it does recognise the differentiated responsibilities of the developed and industrialised countries and developing countries in this regard. The convention envisages the developed-industrialised countries (Annex I countries within the convention) to bring down their GHGs emissions individually or jointly to the 1990 level. A differentiated group within the Annex I (countries listed as Annex II to the convention) is required to provide financial assistance and facilitate transfer of technology to developing countries to help them implement their commitments to the Convention. Non –Annex I countries have also been differentiated according to their capabilities to respond to climate change. Forty-eight countries have been identified by the United Nations as Least Developed Countries (LDCs) and have been given special consideration because of their limited ability to respond and adapt to the effects of climate change. India, being a non-Annex I country, has been exempted from the binding obligations of reducing its GHGs emissions. However, being a party to the UNFCCC, it recognises the common but differentiated responsibility of all the countries in addressing climate change concerns and reaffirms the right of each inhabitant of earth an equal entitlement of global atmospheric resources.

## **I. Climate Change Concerns for India and its Response**

The challenge owing to climate change confronting India is enormous and variegated. With around 72 percent of its population residing in rural areas and dependent on agriculture and allied activities, addressing the challenge is necessary to ensure food security and viable livelihood options for this vast majority of its population. Equally important is the preservation of the Himalayan ecosystems which is the cradle of immense biodiversity and variety of wildlife; its glacial and river systems forming critical backbone for the human civilisation of the plains of northern India. Its huge coastline and island states make a significantly large section of its population extremely vulnerable to phenomenon like rise in sea level, cyclones or storm surges and other extreme weather conditions.

Moreover, a large section of the population depends for its livelihood on the marine ecosystems around the coasts. Therefore, conservation of these, as well as allowing for sustainable exploitation, is a major challenge.

The National Action Plan on Climate Change (NAPCC) brought out by the Government of India, asserts that the Indian economy as closely as it is tied to the natural resource base and climate-sensitive sectors such as agriculture, water and forestry, a climate change driven alteration in the in the quality and distribution of its natural resources is bound to impair its development. It also acknowledges the nascent nature of the economy and the development process, thereby the wider variety of choices that India has in charting out a pathway that is ecologically sustainable. The NAPCC also lays down some guiding principles for the future course of action on development and climate change issues, which are: a) protect the poor and vulnerable of the society through sustainable development strategy sensitive to climate change; b) achieving national growth objectives through a qualitative change in direction that enhances ecological sustainability leading to further mitigation of GHGs; c) devising cost effective strategy for end use demand side management; d) deploying appropriate technologies for both adaptation and mitigation of GHGs at an accelerated pace; e) engineering new and innovative forms of market, regulatory and voluntary mechanisms to promote sustainable development; f) effecting implementation of programmes through civil society, local self-governing institutions and public-private partnership; g) ushering in international cooperation for research and development and technology transfer enabled by additional funding and a global Intellectual Property Rights (IPR) that facilitates transfer of technology to developing countries under UNFCCC. To aid the process of mainstreaming the above objectives within the development process, the NAPCC envisages the following eight missions:

- **National Solar Mission:** To increase the share of solar energy in the energy mix while recognising the need for development of nuclear energy, wind energy and biomass.
- **National Mission for Enhanced Energy Efficiency:** It seeks to promote energy efficiency through the Bureau of Energy Efficiency (BEE) in the central government and designated agencies in each state. Programmes and measures have been initiated which would result in an anticipated energy saving to the tune of 10,000 MW by the end of 2012.
- **National Mission on Sustainable Habitat:** To make habitat sustainable through improvements in energy efficiency in buildings, management of solid waste and modal shift to public transport.
- **National Water Mission:** To ensure integrated water resource management helping to conserve water, minimise wastage and ensure more equitable distribution across and within states.
- **National Mission for Sustaining Himalayan Ecosystem:** Evolve management resources and measures to sustain and conserve Himalayan glacial systems and mountain ecosystems. Among others, also try to understand and address the issue of glacial recession in the Himalayas.
- **National Mission for Green India:** To enhance ecosystem services including development of carbon sinks like forests, which are indispensable for preservation of ecological balance and biodiversity.

- **National Mission for Sustainable Agriculture:** To make Indian agriculture more resilient to variations in climate by identifying and developing new varieties of crops especially which would be thermal resistant, alternative cropping pattern capable of withstanding extreme weather conditions like long dry spells, flooding and moisture variability.
- **National Mission for Strategic Knowledge for Climate Change:** To foster international co-operation in research and development and knowledge dissemination. To set up a strategic knowledge mission to identify the challenges and responses to climate change.

NAPCC, while entrusting implementation responsibilities of these missions on inter-sectoral ministries, also underlines the role of the planning commission, industry, academia and civil society for its time-bound implementation. Prime Minister's council on climate change is expected to coordinate and supervise the effective implementation of the stated objectives set under various missions. The time line for mission accomplishment spans the remaining years of the 11<sup>th</sup> plan and the whole of the 12<sup>th</sup> plan period 2012-13 to 2016-17.

The eight missions envisaged in the NAPCC cover almost the entire gamut of issues except a clear articulation on the issues pertaining to the management and conservation of oceanic and coastal resources. Clear cut policy guidelines pertaining to financing of these missions and their institutional architecture of service delivery or the parameters of functioning of state governments and local self governing institutions are yet to be worked out. Therefore, it is too early to comment on the viability of the policy commitments made in NAPCC, but it is evident that success of these programmes, would in large measure, depend on necessary Constitutional reforms and large government investments in the sector.

## II. Constitutional Framework for Environmental Protection in India

The Indian Constitution is amongst the few in the World that contains specific provisions on environmental protection. After Stockholm Declaration (1972), the Indian Constitution (Forty-Second Amendment) Act, 1976, inserted for the first time, very specific provisions to protect and improve the environment. Also, some generic constitutional provisions such as Article 47, 48A (Directive Principles of State Policy) and 51A (Fundamental Duties) and most importantly Article 21 (Fundamental Rights) have set constitutional obligations upon the State to protect and manage the environment. Article 47 exclusively provides for the improvement of public health as one of the primary duties of the state; Article 48A further says, "The state shall endeavour to protect & improve the environment and to safeguard the forests and wildlife of the country."; Article 51A being fundamental duties of the citizen also states that, it is "duty of every citizen of India to protect & improve the natural environment including forests, lakes, rivers and wildlife and to have compassion for living creatures."

Besides, directive principle of state policy, the fundamental rights in Article 21 of the Indian Constitution provide that no person shall be deprived of his life or personal liberty except according to procedure established by law. It is much extended than the defined right and Supreme Court in

various cases has included the right to clean water and pollution free environment as inalienable parts of Right to Life and Personal Liberty and squarely put the environment under the Public Trust Doctrine.<sup>2</sup> Though in the federal distribution of power, environment is under residual power of the Centre, forest, protection of wildlife and birds are included under concurrent list, leaving the state with very insignificant power in various facets of environmental governance. The implicit as well as explicit provisions of the constitution, however, are backed by number of parliamentary acts, legislations and notifications, international conventions and agreements.

Institutionally, the Ministry of Environment and Forest (MOEF) is concerned with planning, promoting, coordinating and overseeing the implementation of environmental, wildlife, biodiversity and forestry policies and programmes. It also serves as the nodal agency for international cooperation in the domain of environment, including the subject of climate change. As environment protection and sustainable development requires cross-cutting Governmental endeavours, various ministries/departments both at the centre and state level deal with area specific environmental issues and concerns and thus, complement the MOEF legal obligations and responsibilities to further the cause. At the implementation level, local bodies such as *panchayats* and city councils also have a stake in various schemes (empowered under 73<sup>rd</sup> and 74<sup>th</sup> Amendment Act) such as Joint Forestry Management (JFM) and *gram van yojana* scheme.

Besides, various scientific and technical institutions like National Environmental Engineering Research Institute (NEERI), Central Pollution Control Board (CPCB), State Pollution Control Board (SPCB), Wildlife Institute of India (WII), Indian Institute of Forest Management (IIFM) and expert groups support environmental administrations at union and state levels.

### III. Climate Change in 11<sup>th</sup> Plan

The Planning process in India and the sector of environment and climate change is not new one and however, it has not attain its due attention like other social sectors such as education, health, rural development, etc. The 6th five year plan is the first plan that focused over the environment, and climate change, on the other hand, subsequently got first time reference in the planning radar in the 10<sup>th</sup> five year (2002-07) plan document. The 6<sup>th</sup> Five Year Plan (FY 1980-85) reads “The environment must not be considered as just another sector of national development. It should form a crucial guiding dimension for Plans and programmes in each sector. This becomes clear only if the concern for environmental protection is understood in its proper context.”

2 Supreme Court in *M.C Mehta v. Kamal Nath (1977) 1 SCC 388* case had enunciated the “Public Trust Doctrine” under Article 21. The idea under this theory was that certain common properties such as rivers, seashores, forests and air were held by the Government in trusteeship for the free and unimpeded use of the general public. Resources like air, sea, water and the forests have such a great importance to the people as a whole, that it would be totally unjustified to make them a subject of private ownership. SC in the same case, concluded that any disturbance of the basic environment elements namely air, water and soil which are necessary for “life” would be hazardous to “life” within the meaning of Article 21 of the Constitution. Furthermore, against chemical and hazardous industries, SC in the case of *Vellore Citizens Welfare Forum v. Union of India AIR 1996* directed the High Court to set up a Green Bench. Again, SC defined the Right to Pollution free air within Article 21 in *Subhash v. State of Bihar AIR 1991*. See P.M Bakshi, (2005), *The Constitution of India*, New Delhi: Universal Law Publishing Co. Pvt Ltd. Pg 48-49

Environmental problems in India according to planning document are arising from *conditions of poverty and under-development* and those arising as *negative effects of the very process of development*. Therefore, the concern for environment is essentially a desire to see that national development proceeds along rational sustainable development and environmental conservation is, in fact, the very basis of all development programmes.

The 10<sup>th</sup> Plan document considers sustainability is not an option but an imperative. “Without sustainability, environmental deterioration and economic decline will be feeding on each other leading to poverty, pollution, poor health, political upheaval and unrest. The environment is not to be seen as stand-alone concern. It cuts across all sector of development.”

The 11<sup>th</sup> plan envisages protection of environment has to be a central part of any sustainable inclusive growth strategy. The action oriented visions of the present plan period outlined synergic actions of different ministries to adapt and mitigate the danger of environment arising greatly out of population growth, urbanisation and other anthropogenic development leading to due to land degradation, fragile ecosystem, lopsided industrialisation, deforestation, loss of biodiversity and environment pollution. The Eleventh Plan intends to integrate various environment considerations into policymaking in all sectors of the economy-- infrastructure, transport, water supply, sanitation, industry, agriculture, and anti-poverty programmes. It further calls for strengthening the oversight and regulatory framework for environment management so that development decisions do not impinge adversely on sustainability. Institutionally, the 11<sup>th</sup> plan considers the Ministry of Environment and Forests’ (MoEF) to have a central and nodal role in monitoring the development process and its environmental impact in a perspective of sustainable development and also empowered to devise suitable regulatory structures to achieve the desired results. While this role is crucial, environmental objectives can only be achieved if environmental concerns are internalised in policymaking in a large number of sectors. This would require sharing of responsibility at all levels of government and across sectors with respect to monitoring of pollution, enforcement of regulations, and development of programmes for mitigation and abatement. Regulatory enforcement must also be combined with incentives, including market and fiscal mechanisms to encourage both industry and people in their day-to-day working lives to act in a manner responsive to environmental concerns. Lastly, sustainable use of natural resources also requires community participation with a responsible role assigned to the communities for conservation.

The 11<sup>th</sup> plan in particular mulls environment to be a part of concurrent subject in the 7<sup>th</sup> schedule of the constitution through a constitutional amendment so that responsibility of maintaining the environment rests at all levels of government. At present, it is a ‘residual central subject’. Furthermore, it also calls upon the government to set up institutionally an independent, statutory body on sustainable development with the specific responsibility of guiding government policies and programmes for making them more socially and environmentally sustainable, and to monitor and evaluate their outcomes. The independent statutory body is to be an interface platform between eminent environment experts and citizens to address the complex environment concerns. Besides, it aims to restructure the existing State Pollution Control Boards (SPCBs) as statutory environment protection authorities with the mandate of developing regulations, standards and as well as

upgrading facilities for enforcing compliance. The 11<sup>th</sup> plan further charted out to revive the scheme of *Paryavaran Vahinis*, or committees of concerned citizens to serve as environmental watchdogs of the environmental situation in the districts level. At the sub-district level, for improving the quality and transparency of the environmental clearance process, prior informed consent of the institutions of local self governance of the respective area, as specifically provided in *Panchayat* (extension of schedule areas (PESA) may be introduced for proposals requiring environmental clearance. Public Hearing should also be made mandatory for the activities specified in the environment impact assessment notification.

An amount of Rs. 5945 crores was allocated to the MoEF for the 10<sup>th</sup> plan with sectoral focus over national river conservation directorate (28%) and Forestry and wildlife (27%). However, in the 11<sup>th</sup> five year plan allocation for the ministry has increased by 68 percent compared to previous plan period with cumulative five years outlays (FY2007-12) of Rs. 10005 crores. The central sector scheme accounts 23 percent of total plan outlays for the Ministry and Central Sponsored Schemes (CSS) on the other hand constitutes of 77 percent of plan outlays for the ministry.

The Annual Plan 2008-09 of the ministry has been approved at Rs.1500.00 crores, implying an increase of 11.03 percent over the 2007-08 plan outlay. The approved outlay comprises Rs. 601.38 crores in the Environment & Ecology sector and Rs. 898.62 crores in the Forestry & Wildlife sector. In the approved outlay of 11<sup>th</sup> plan, the Central Sponsored Scheme (CSS) --- National River conservation Plan (NRCP) ---comprises a total of 55.46 percent of total outlays for the environment and ecology and another CSS, National Afforestation Programme (NAP) constitutes 32 percent of total plan allocation for the expenditure head of the forestry and wildlife.

The 11<sup>th</sup> plan as undertaken a measure of rationalisation exercises as large number of the schemes of the ministry have been clubbed/ merged into 22 thematic schemes. 11<sup>th</sup> plan has introduced new CSS, social forestry with communities with approved outlay of Rs. 900 crores.

The planning chapter on environment and climate change has, however, failed to analyse and establish, at the outset, the close connection involving the sector of environment and climate change with sustainable inclusive growth strategy. Though the 6<sup>th</sup> plan has very forcibly established the relationship between the environment degradations and with the conditions of poverty and underdevelopment and the negative effects of the developmental process; however. the 11<sup>th</sup> plan lack such vision and objectives in initial paragraphs and therefore, has failed to reinforce such assumptions in the context of rapid liberalisation of Indian economy as well as society and rapid downslide of environment and climate change.

Furthermore, the plan chapter on environment and climate change is incredibly informative about the problems, the existing as well as new schemes and programmes, and strategies in the 11<sup>th</sup> plan with regard to afforestation, social forestry, agro forestry, air quality and water quality, national river conservation plan, national lake conservation plan, waste management. However, it has been sketchy and lack details of extraordinarily important and crucial sectors of biodiversity, biosphere reserves, mountain ecosystems, coastal zone management, not to mention of very important wildlife and animal welfare.

The 11<sup>th</sup> plan response to climate change vulnerability though supply a detailed background analysis of the problem, however, the required policy responses with regard to adaptation and mitigation measures concerned in the required five year period lack teeth and any credible action plans and strategy. The present planning process has failed to prescribe any new concrete plan for climate change adaptation, but rather has subscribed to the principle of synergising the existing policies running under different ministries. Moreover, the plan has failed to allocate any plan outlays for climate change vulnerability.

#### IV. Budgetary Allocation in the Sector

The programme wise plan outlays and expenditure of MOEF have been classified on some specific sectors such as environment in general, national river ronservation directorate, forestry and wildlife, national afforestation and eco-developmental board and animal welfare.

While the 10<sup>th</sup> plan outlays for the MOEF was Rs.5945.00 crores, the outlay of the ministry for the 11<sup>th</sup> plan has been approved at Rs.10005.00 crores which is a nearly 100 percent growth over the last plan. The total annual budgetary expenditure for the MOEF, though has increased in absolute number over the years, if one compares to total budgetary expenditure as well as its share to the GDP (market price) of same financial year, both show a trend of stagnation or insignificant decline over the last five years. The annual growth rate of the budgetary allocation for the MOEF shows a rather fluctuating trend with the annual growth rate increasing to 13 percent in 2007-08. However, the 2008-09 allocation entails a decline in growth rate to 7.3 percent over last year.

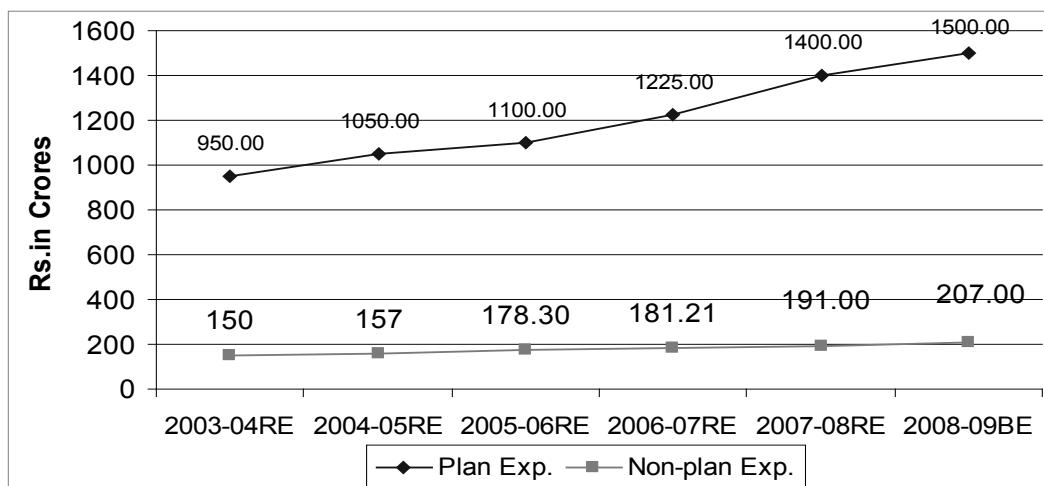
**Table 1: Allocation of Ministry of Environment & Forest to Total Union Budget Expenditure**

Year	Ministry of Environment & Forest Allocation (in Rs. Crore)	Annual Growth Rate (in percent)	Percentage to Total Budgetary Expenditure	Percent to GDP (MP)
2003-04 RE	1100.0	---	0.23	0.04
2004-05 RE	1207.0	9.7	0.24	0.04
2005-06 RE	1278.3	5.9	0.25	0.04
2006-07 RE	1406.2	10.0	0.24	0.03
2007-08 RE	1591.0	13.1	0.22	0.03
2008-09 BE	1707.0	7.3	0.23	0.03

Source: Budget at Glance and Expenditure Budget II of various financial years

Like wise, while the plan expenditure and non-plan expenditure of MOEF budget has been increased in absolute number, percentage wise it has shown a decline or remained constant with regard to total budgetary expenditure.

Chart 1: Share of Plan &amp; Non-Plan Expenditure in MOEF



Source: Expenditure Budget, Volume II (various years).

The ministry runs twelve Central Sector Scheme (CS) and ten Centrally Sponsored Scheme (CSS). Some of the major schemes under the ministry are assistance for abatement of pollution, national afforestation programme, national coastal management programme and social forestry scheme.

Pollution in all its manifestations such as air pollution, water pollution<sup>3</sup>, noise pollution, pollution of rivers and lake, solid waste management has resulted in environmental degradation. The Union Budget allocation particularly on prevention and control of pollution in the last four FYPs has declined significantly compared to total allocation for MOEF. In 2005-06 RE, it was 45 percent, which has come down to 32 percent in 2008-09 BE. While the present plan expenditure for pollution prevention and allocation head has declined in absolute number compared to 2005-06 RE, the non-plan expenditure has increased marginally.

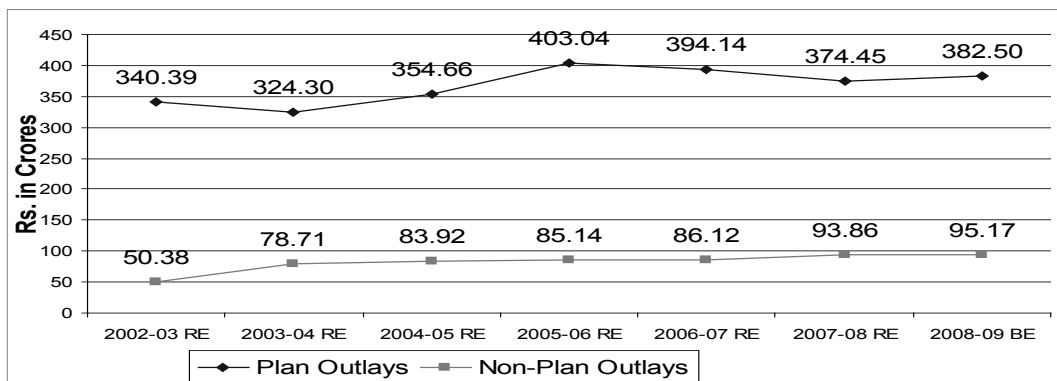
3 The water pollution in India comes from three main sources: domestic sewage, industrial effluents and run off from activities such as agriculture. The total sewage generation in the country is about 33,000 MLD (million liters per day). Against this, the total average treatment capacity is only 6190 MLD and 40 percent of that capacity is in Delhi. However, the irony is that Yamuna is being considered as more polluted river in India. Besides, in Ganga, Krishna, Sabarmati, Tapi, Sutlej, the Biochemical Oxygen Standards is as low to be to the bathing standard. The Water (Prevention and Control of Pollution) Act, 1974 regulates water quality through the State Pollution Control Board (SPCBs). The Central Pollution Control Board (CPCB), under the MOEF has established a nation wide network for water quality monitoring comprising 1019 stations in 27 States and 6 UTs. The monitoring is done on monthly or quarterly basis for surface water and on half yearly basis for ground water. The monitoring network covers 200 rivers, 60 lakhs, 5 tanks, 3 ponds, 3 creeks, 13 canals, 17 drains and 321 wells. Water samples are analysed for 28 parameters including physical parameters, nutrients, major ions, organic and bacteriological parameters. Out of the various parameters monitored, Biochemical Oxygen Demand (BOD) and Coliforms are critical. Source: 11<sup>th</sup> Five Year Plan Document, Environment and Climate Change, Vol-1, Planning Commission, pg23.



### Assistance for Abatement of Pollution

Assistance for abatement of pollution, a CS scheme is to meet the need to strengthen the various SPCBs and state environment departments for enforcing the statutory provisions for taking up pollution abatement measures. The purpose of funding is to strengthen the state departments of environment through additional technical manpower and state pollution control boards through scientific analytic equipment that are expensive and hence cannot be procured from State Government’s own funds. Funds to the state boards are released for equipment and specific studies and projects which would need to be completed within a specific time frame to meet the objective of policy statement for abatement of pollution. However, in the last two financial years, the combined allocation for the scheme is Rs. 9 crore which is quite insignificant to support 15 SPCBs.

**Chart 2: Budgetary Outlays on Prevention and Control of Pollution**



Source: Expenditure Budget Volume II of various financial years

### National Coastal Management Programme

With regard to plan scheme for the protection and management of the coastal zone, the National Coast Management Programme (NCMP) a Central Sector Plan, since 1991 intends to focus on the mapping of ecologically sensitive areas, institutional strengthening and capacity building, including control of pollution in coastal waters. The Union Budget allocated very minuscule funds to this CS scheme in the 10<sup>th</sup> Plan. For the last two financial years (2006-07 & 2007-08), the NCMP just got 20 lakhs per year, which has been substantially increased to 1.37 crore in the 2008-09 Union Budget. Such an insignificant allocation on NCMP can hardly fulfill the vision of 11<sup>th</sup> plan of participation of civil society and fishing/coastal communities in the conservation of ecologically and culturally significant resources.

## National Afforestation Programme (NAP)

The National Afforestation Programme Scheme<sup>4</sup>, the largest scheme of the Ministry, supports expansion of forests and tree cover through Forest Development Agency (FDA) and Joint Forest Management Committee (JFMC). This is considered to be important with regard to participatory forest management with local communities that ensures livelihood and rights and responsibilities of tribal as well as forest inmates towards forest management and protection. Joint Forest Management (JFM) is being implemented with 1, 06, 479 such committees (with 22 million participants) and is functioning in 28 states covering 22.02 million ha of forests. In 2007-08, the budgetary allocation was Rs. 322.57 crores and a promise was made to create 800 Forest Development Agencies (FDAs) and 3000 new JFMCs. However, the achievement rate has been far from satisfactory as only 343 FDAs and 550 JFMCs have been formed. The physical performance of NAP seems unsatisfactory. According to the State of Forest Report 2005, 20.60 percent of the total geographical area of the country is under forests, a figure which is far below the targeted objective of 33 percent forest cover.

The case for social forestry, which is a *Panchayat* subject under 73 and 74th Constitutional Amendment Act, has not been implemented due to sheer neglect of the Central as well as various State Governments. In the FY 2006-07 and 2007-08, the *Gram Van Yojana*, an important scheme for social forestry, just got a mere Rs. 20 lakh, which has been substantially increased to Rs. 100 crores in FY 2008-09. Though, the case for social forestry has been neglected since the 8<sup>th</sup> Plan, sudden manifold increase of budgetary allocation, though a welcome initiative, may fail to meet its desired objectives without absorptive capacity.

## V. Concluding Remarks

This background note attempts a review of the issues involved in climate change both nationally and internationally and identifying major challenges that need to be overcome through proactive government intervention. The government claims that the public investment on mitigation and adaptation measures on climate change through various programmes and schemes running across various ministries exceeds 2.6 percent of GDP. This is true to the extent that there exist quite a few centrally sponsored schemes and central sector schemes which are operating to promote sustainable livelihood among the poor and downtrodden and to create infrastructure for augmentation of agricultural productivity and general quality of life. However, most of these which have been operating for many years, lack a clear focus on the issues pertaining to climate change or environmental protection. Therefore, complacency on these schemes achieving the desired objectives would be quite imprudent. Schemes specifically geared towards alleviating drought or flood conditions and wasteland development need to be undertaken with urgency and implemented with the help of local

4 The overall objective of the scheme is to develop the forest resources with people's participation, with focus on improvement in livelihoods of the forest-fringe communities, especially the poor. NAP aims to support and accelerate the ongoing process of devolving forest protection, management and development functions to decentralised institutions of joint Forest Management Committee (JFMC) at the village level and Forest Development Agency (FDA) at the forest division level.

self governing Institutions. Resource allocation in this sector should be done carefully after proper estimation of resource gap. The government has introduced the national action plan on climate change but has not elucidated financing of public expenditure on climate change. Environmental quality has long been recognised as a public good, the provision of which is inalienable to the notion of good life. Therefore, provision of this public good is the sole responsibility of the government, at the central, state and local level. However, the nature of service would determine which tier of governance should provide it. For example, pollution of river water should be a central subject given its inter-jurisdictional nature, but groundwater management or management of coastal resources may be done at the state level with the help of the centre. There is considerable overlap in jurisdiction in the provision of environmental services and these should be adequately addressed, given the emerging global realities and for the sake of transparency and accountability. A separate budget statement clearly outlining the allocation and expenditure on environmental services and measures taken for adaptation needs may be explored. Given the relative newness of the present issues and the developing nature of the economy placing India mostly at the receiving end of climate change concerns, there is a need for heavy government investment in education and awareness on climate change to forge a national consensus.

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**PART FIFTEEN**

**INTERNATIONAL PERSPECTIVE**

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# Budgeting ESC-Rights – a useful concept for poverty oriented development co-operation?

*Michael Windfuhr*

The objective of the pre-study is to discuss and analyse whether the calculation of the costs of implementing Economic, Social and Cultural Rights (ESC-rights) is feasible, and if such a calculation can be meaningfully used for poverty oriented development co-operation. The pre-study shall identify the methodological problems for calculating the potential cost of implementing ESC-rights and how these problems can be overcome. The pre-study will also make proposals of how a study process could be set up and organised to realise such calculations in several countries and to apply the results to different policy areas. So far, no similar research has been done to estimate the cost of the realisation of ESC-rights. Nevertheless, the work on how to implement some of these rights has increased in the last years. Since it is such a new research field, the Church Development Service decided to commission a pre-study to assess whether it is possible to overcome methodological problems, and if so, how this can be done.

The purpose is to investigate whether budgeting the core content of ESC-rights can help (1) to command the respect of bi- and multilateral, as well as private creditors for allocations in the budget, which are required in order to realise ESC-rights before paying debt service and (2) to define the debt sustainability level of countries seeking debt cancellation based on a better argumentation and calculation of costs, given a fair and transparent debt arbitration procedure. The purpose is also to investigate whether budgeting can (3) resource the participation of civil society actors in processes of developing and monitoring Poverty Reduction Strategies Processes (PRSP), when advocating for shifting policy priorities within existing sector allocations towards the struggle against poverty. The pre-study shall finally answer whether budgeting can help (4) to better identify the human rights responsibilities of intergovernmental agencies and intergovernmental actors according to the International Covenant on Economic, Social and Cultural Rights (ICESCR). If budgeting could become a tool that both governments and civil society actors can use in monitoring the compliance

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of states with their obligations under the ICESCR, it could also become an important additional tool for the Committee on Economic, Social and Cultural Rights of the United Nations (UN-CESCR), that is responsible for the surveillance of the realisation of ESC-Rights by state parties to the ICESCR. Budgeting could then help the CESCR in its regular monitoring work of state reports to the committee.

The objectives of the pre-study are highly accurate. The debate concerning the implementation of ESC-rights has developed rapidly over the last few years. A rights based approach to development policies is being used in an increasing number of publications. While this approach is still “under construction” and its objective not always precisely defined, more and more institutions and organisations are currently on the way to developing and applying a rights based approach for their own field of operation.<sup>1</sup> Issues such as the possible cost of implementing ESC-rights are becoming more and more important, particularly since governments have now started to look into the matter. The accountability of governments is central to any rights based approach. The main purpose of ESC-rights is to enable individuals to hold their government accountable to certain standards of behaviour also in the area of economic, social and cultural policies.

After a slow start, national and international work concerning ESC-rights has now gained momentum. Some international human rights organisations had already started to promote ESC-rights and work on cases of violations of some of these rights by the end of the 80s. These organisations made use of the newly established UN-Committee on Economic, Social and Cultural rights (CESCR) and reported violations and prepared shadow reports. Quite a number of national civil society organisations (CSOs) and non-governmental organisations (NGOs) took up the work on ESC-rights during the 90s. This was done both by traditional human rights organisations that had only worked on civil and political rights up to that point, as well as by social movements or NGOs. The number of organisations working with ESC has increased rapidly since the end of the 90s. Government institutions have started to utilise ESC-rights in their national human rights institutions and ombudsman systems, for example. Institutions in the field of development policies have been working on the issue for a decade now.

The pre-study will start by summarizing the discussion of the added value of a rights based approach to development policies. Why is it meaningful to choose ESC-rights as an advocacy tool rather than established concepts and approaches of development thinking? The pre-study will introduce other approaches and will discuss the potential advantages of using a rights based framework.<sup>2</sup> It will then look into the main methodological problems with respect to the potential budgeting of the

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1 Several governmental and non governmental development actors have started to develop human rights based approaches”. The development is documented in a recent study of the DIE, the German Institute for development studies (Lingenau, 2004). A key report that sums up the main arguments in favour of a rights based approach is the Human Development Report 2000 (UNDP, 2000).

2 There is a group of international lawyers who disapprove of the term “human rights based approach“ as they pinpoint that human rights are universally recognised core obligations for all governments and therefore not an option, which one might pursue in a rights based approach. Some have therefore proposed a “human rights based framework to development”. As it is that broadly used, the current text will use the “rights based approach” language, while accepting that it is not optional for governments to implement the human rights, but an obligation.

implementation of ESC-rights, which are considerably important. The problems are grouped into four thematic areas:

- (1) ESC-rights are not precisely defined. Additionally, there is little practical work done that can help to clarify content and state obligations, as only very few cases have been dealt with in courts or within the UN-human rights system. The concepts of 'progressive realisation' and the obligations that states should use the "maximum of its available resources" for the implementation of these rights are under discussion.. Sufficient clarity on the definition of different ESC-rights is a precondition for calculating the costs of implementing ESC-rights..
- (2) Furthermore, the pre-study discusses the quality of indicators available for measuring the implementation of ESC-rights. The development of indicators for measuring the realisation of ESC-rights is still at the very beginning. For the pre-study, the available indicators and their utility have been analysed. The pre-study has also taken into consideration international literature and documents available on poverty elimination such as the UN-human rights guidelines for poverty reduction strategy processes. The concepts presented here are discussed and useful ideas for the project have been identified.
- (3) An increasing movement of civil society organisations has started to use ESC-rights as criteria to analyse budget allocations at the national level. The respective work of NGOs will therefore be documented and can be used as a starting point for the calculation work foreseen in this project.
- (4) The criteria for the selection of example countries eligible for country studies are discussed.

The following chapter outlines the conditions under which it would be possible to implement a full project for budgeting ESC-rights. A framework for such a project including a working agenda, possible partners and financial implications will be presented.

Before a final summary is given, the pre-study will conclude with a chapter discussing in which contexts the results can be used, and why the church development service should support the development of such a methodology. The new methodology would be a milestone for the work with ESC-rights, particularly as it would provide answers to the main concerns of governments vis-à-vis ESC-rights such as the concern for the costs of the full implementation of ESC-rights.

## **I. Added value of a rights based approach to poverty reduction issues**

A rights based approach to development issues is often presented as a new paradigm that will bring about immense change in development policy. On the other hand, this attitude often provokes the opposite reaction by development practitioners, who just see it as one of those new ideas that come and go. Probably both of the propositions are wrong. A rights based approach is neither a new paradigm nor something already known and always implemented. Rather, it is a complementary strategy to ongoing and valuable existing development strategies. In order to assess the additional value that a rights based approach will bring to development policies, the most important arguments



in favour of a rights based approach are briefly reviewed here.<sup>3</sup> The central question is whether the reference to ESC-rights will help national and international co-operation to gain more importance and political strength in the struggle for poverty reduction.

Several European countries have started to investigate the potential relevance of a rights based approach and to add or to base their development work on human rights. Among them are Belgium, the Netherlands, the Scandinavian countries, Finland and Germany.<sup>4</sup> These countries have developed this approach parallel to new commitments on development policies, such as the new frame of the Millennium Development Goals (MDGs). The MDGs pursue a strategy of economic empowerment, functioning markets and social safety nets to overcome hardship in development processes. How does such a strategy relate to a rights based strategy? While on the first level the two strategies can be differentiated by the slogans, that human rights are based on entitlements while development strategies try to widen capabilities, it is worth taking a closer look at this matter. For several years now it has been the United Nations Development Programme (UNDP) in particular that has been promoting a development paradigm focusing on increasing people's choices. Enabling persons to increase their personal options on living their lives is the core idea of empowerment focusing on human development. Other mainstream development concepts, as the one promoted by the World Bank in particular, focus on the economic framework and on economic empowerment. But all in all, the focus lies on investing in people, in increasing their capabilities. The potential of a rights based approach which is based in the idea that granting rights to people might not be worth anything in countries where the rule of law is hardly functioning, while on the other hand giving options to people might allow them to find their own ways out of poverty is often met with scepticism.

The rights based approach has gained support due to the frustration that arose out of the co-operation with corrupt and irresponsible governments that often hinder the development policies. The incentives given through development measures are often not working because the national policy setting is not supporting them. New opportunities cannot be taken up by people because they are not accessible to minorities, to women or other marginalised groups in society. This short overview already demonstrates that these concepts are not competing approaches, but complementary ones. A rights based approach can strongly support the results of methods that try to enable persons and to widen their opportunities. The main elements of a rights based approach are summarised below as this will help to judge how useful the budgeting of ESC-rights might be.

A human rights based approach has to cover both sets of human rights: Civil and Political (CP-rights) as well as Economic, Social and Cultural rights (ESC-rights). While the ESC-rights seem to be of importance for poverty related problems, CP-rights are also relevant for the overall approach. For example, the guarantee that each person in political trials is treated in a way accepting human rights

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3 The Human Development Report 2000, on the relationship between human rights and development contains a lengthy and good overview about the relationships between human rights and development thinking. That debate cannot be discussed here in detail. Chapter 2 will give a brief summary of main arguments for an additional value of the rights based approach (UNDP, 2000)

4 The debate was promoted much in Scandinavia (see SIDA, 2000). The German ministry for development co-operation had commissioned the German Institute for development studies to look into the matter. The ministry has developed in between an own strategy document, on how to include a rights based agenda into the daily work (BMZ, 2004).

standards for participation, the right to be informed, freedom of expression, the right to organise, transparency etc. are important civil and political rights. The rights based approach also highlights the rights to participate in complaint and judicial procedures. Human rights institutions, ombudsman systems and judicial procedures must be open to everybody without discrimination. Special provisions for legal aid should be provided to effectively guarantee access to justice for extremely poor people as well. Human rights empower each person to participate in relevant decision making procedures and to have access to legal remedies. These are core conditions for equal treatment of all people according to the law and for a comprehensive understanding of citizenship.

Human rights create entitlements of persons vis-à-vis their government. These entitlements can be legally claimed and are therefore a good tool to hold governments accountable. In development policies it is possible to criticise governments and potentially withdraw financial support. Such forms of political pressure can only come from abroad and is not accessible for people living in a country that is responsible for human rights violations. Putting government action under human rights scrutiny is therefore a core element of every rights based framework and allows governments to be held accountable to all people living on its territory. Complaint procedures need to be accessible for everyone. They can cover different formats and different legal qualities from arbitration procedures to quasi judicial and to judicial procedures. The justiciability of human rights is the core element for holding governments accountable. These complaint procedures are normally accessible at the national level, but also exist at the international level, for example in the existing regional human rights instruments<sup>5</sup> or at the international level for most of the core human right treaties if the state being responsible for a violation has ratified the specific optional protocols. An optional protocol for the covenant on ESC-rights that would allow individual or group complaints is still under discussion. Other complaint mechanisms under treaty bodies are nevertheless already open to ESC-based complaints, if specific limitations of the other treaties are respected.<sup>6</sup>

Human rights treaties give a rough description of state obligations, e.g. as to what citizens can expect from their government. The final scrutiny defining which types of policies are acceptable and which action or omission constitutes a human rights violation is normally given by court decisions. A rights based framework, therefore, allows us to describe government obligations in a better way and to develop criteria for designing and evaluating policy processes. In the area of ESC-rights only few court decisions have been taken,<sup>7</sup> other documents also have importance in describing the content and the state obligations linked to ESC-rights. Of particular importance are the general comments of the CESCR. In cases of failing states, where a national rule of law no longer exists, people lose access to justice procedures and can no longer claim their rights. The direct accountability mechanisms do not work any longer. Nevertheless, human rights present an internationally recognised standard and thus build a reference base even lawless states can be checked on. It can be a source of strength and

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5 Regional human rights systems are available in Europe, in the Inter-American Human Rights System and in Africa.

6 The CEDAW optional protocol would allow for complaints on ESC-rights. The Committee on civil and political rights has also taken up issue with ESC-rights components, under the right to life.

7 The newly established network of civil society organisations working with ESC-rights – called ESC – has a working group in Justiciability of ESC-rights that have set up a data-base with cases in which ESC-rights violations were taken up at national courts. The number of cases documented half a year after the start is around 80 cases.

orientation for people struggling against oppression that a universally recognised binding framework with the human rights treaties exists and even with formal legal procedures that governments can be held accountable for their action. The human rights standards are more detailed at the national level in constitutions and court decisions.

A human rights based framework requires governments to follow standards at different levels of activities. For most of the ESC-rights such a framework is laid down in the general comments, which the committee on ESC-rights has developed in the course of the last years. The general comments No. 12 – 14 require governments to implement a national strategy for the implementation of each of the respective rights.<sup>8</sup> The strategies shall start with an analysis and identification of the victims of violations together with an assessment of the causes of the situation. Based on that, the governments shall check and improve their national legislative framework, modify or amend laws and develop a legislation where appropriate. Additionally, the governments should design an adequate policy framework for the implementation of each right. The implementation should be guided by the following standards: The policies shall be implemented without discrimination towards improving equity. The progressive realisation of the rights shall be controlled by set benchmarks. Whether the benchmarks are achieved or not, can then be measured by indicators.

It is required that governments use the maximum of their available resources. The policy development process should set its priorities in such a way so that particularly vulnerable groups are addressed first. While setting priorities it is important to keep in mind the interdependence of the different rights. The indivisibility and interdependence of all rights mean that there should not be any hierarchy of different kind of rights. Nevertheless, it cannot be denied that scarcity of resources and institutional constraints may require a setting of priorities. It must be guaranteed, however, that the implementation of the core content of all human rights will be addressed at the same time. It is impossible to focus only on the implementation of some selected rights. The implementation process must be organised in a participatory manner. All this will only work, if a constant monitoring and assessment is done in order to guarantee that these standards are applied and that the rights are effectively implemented.

It is important to note that not all persons suffering from non-implementation of one of the rights are automatically victims of violations through government policies. The example of hunger shows that not all forms of hunger or malnutrition are a result of government activities and therefore cannot be judged as violations. For example, hunger as a result of natural disasters can hardly be judged as a violation, this is only the case when hunger is caused because of the government's failure to develop a minimum response system for disaster-preparedness. A rights based approach requires a careful analysis of what can be considered a government responsibility and what not. On the other hand, the non-fulfilment of rights cannot be considered the denial of the existence of the rights themselves neither.

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<sup>8</sup> The General Comment No. 12 on the right to adequate food was adopted at the 20<sup>th</sup> session of the CESCR in 1999, No. 13 on the right to education at the 21 session in 1999, No. 14 on the right to the highest attainable standard of health at the 22<sup>nd</sup> session in 2000. The three comment on specific rights of the covenant follow the same structure in describing state obligations and government action. They can be found in UN-Doc (2001): HRI/GEN/1/Rev.5, 26 April. In November 2002 the CESCR adopted additionally a General Comment No. 15 on the right to water that follow the same structure (see: Windfuhr, 2003).

Human rights are individual entitlements. They set limits on the restrictions and privations that individuals can permissibly be allowed to bear even in the promotion of noble social goals or overall development objectives, such as economic growth. Rights protect individuals, minorities and other particularly marginalised groups from policies that benefit society as a whole but place huge burdens on them. As far as violations of the core content of one of the rights are concerned, a right asks for zero tolerance. In the same way that it is not acceptable to tolerate slavery for economic growth or forms of torture independent from the rectification, it is hard to explain why some people can die from hunger for the benefit of a higher goal of society. A rights based approach does not allow certain trade-offs which are possible in development thinking.

General achievements in human development are not always accompanied by achievements in human rights fulfilment. Certain development processes may go hand in hand with a deterioration of the livelihood and the human rights fulfilment of particular vulnerable groups. The liberalisation of agricultural markets may increase the economic opportunities of a society, while at the same time the number of hungry and malnourished among small holder farmers that do not profit from the same policy setting may increase, in some cases even on a dramatic scale.<sup>9</sup> Human rights create entitlements and the language of claims can be of great importance to development processes, which often create conflicts about resources and social struggles. Arbitration and litigation can be important measures to regulate such types of conflicts.

The development way of thinking seldom asks “how” results were achieved, while within a human rights framework the quality of the process of policy development and implementation is of importance. Questions concerning issues if certain groups are excluded from planning and implementation, if the policy implementation is producing victims or people who are losers of the process are of high relevance. A rights based framework, therefore, means that before choosing among different policy alternatives, an assessment into how different policy choices will affect the prospects for the implementation of a certain right and how the different choices are affecting different individuals and groups must be carried out.

A rights based assessment and framework must only look into the obligations and responsibilities of national governments, it should also assess the potential impact of policy measures or effects of one country on persons living in another country, the extraterritorial obligations. The covenant on ESC-rights specifies in Art. 2.1. that “each state party to the present covenant undertakes to take steps, individually and through international assistance and co-operation....”. The Committee has interpreted that paragraph by stating that states should first not violate rights of persons in other countries either directly through own policy measures or indirectly through policy decisions of intergovernmental organisations in which they have influence. States should also check that national private actors working abroad do not contribute to human rights violations. Such extraterritorial negative impacts should be reduced. In the development debate the issue is normally discussed as a coherence problem that needs to be solved in order to create a more development friendly international environment.

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<sup>9</sup> The divergent effects show the impact studies on the effect of trade liberalisation following start of the WTO Agreement on Agriculture in 1995 on agriculture in developing countries, done by the FAO (FAO, 2003).

Although in the human rights discourse the issue of extraterritorial obligations is still a new one and many countries completely deny their existence, it might be possible in the long run to get a consensus that negative impact of foreign policy effects should be avoided. The question is becoming more difficult when positive support measures are reflected. How much international assistance and support can countries, which are unable to implement the rights fully in their own country, expect after having shown that they have exhausted their own means completely? What can they expect from donor countries? Are there legally binding entitlements? While the committee on ESC-rights and civil society organisations demand that governments reduce or mitigate or avoid violations abroad, it is still being discussed to whom individual persons have entitlements to. They do have the right to be protected from their own government. But what will happen if the own government is too weak and pressure from outside is so strong that the protection does not work. Do the individuals then have an entitlement vis-à-vis any of the external actors? While the debate is ongoing, it is worthwhile mentioning that the human rights framework in principle is also addressing the international dimension.<sup>10</sup> While many claims have been rejected on the ground of unconvincing pledges and evidence it is an important task that should be reflected in all respective research done on ESC-rights. The issue is of relevance for the budgeting project and it will be discussed in more detail in chapter 3 how it can be tackled in the project.

A rights based framework can be a helpful tool to complement development policy approaches. It can help in the assessment of problems and analyses causes of them. It can help in taking decisions related to the policy design needed to implement these rights and it allows individuals that seek remedies to find out if policy measures will have negative outcome for them or if they are negatively hit by the results of certain policy measures. As rights create entitlements, a rights based framework can be seen as an important tool to effectively demand policy changes from governments through court decisions. A rights based framework can therefore help to mobilise more political will to change vested interest and bad policies. A rights based framework does not tolerate too many trade-offs, particularly not if the core content of certain human rights is affected negatively.

Development thinking can help to focus better on long term development needs and processes and to take into consideration broader processes of societal change. The two frameworks should therefore not be seen as being in conflict, even if some potential conflicts between the two models have already been addressed here, but as complementary tools. The human rights framework is a strong tool because it helps to define minimum standards for state behaviour and in that function sets limits to certain development processes or projects that might have negative impact on certain developing countries.

## II. Core Methodological Problems

The most important part of the pre-study is the chapter that aims to give an answer to the question: Will it work? The methodological problems linked to the issue are considerable and require careful consideration. Is it possible to overcome the methodological problems? Is it possible to give

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10 The University of Maastricht held an expert conference at the beginning of the 2003 on the issue of extraterritorial obligations for all human rights. The conference report is available in between: (Coomans, F. 2004)

answers to the relevant questions raised? The methodological problems have been grouped under four headlines. In the first subchapter we will discuss all methodological problems linked to the potential clarity or missing conceptualisation of ESC-rights. It will be followed by a subchapter that discusses the quality of the available data and whether the data can be used for a human rights based assessment. In the third subchapter methods of how to budget the costs for the realisation of ESC-rights are reviewed, whereas the last part will discuss what lessons can be learnt from relevant documents such as the guidelines of the office of the high commissioner on human rights on poverty reductions strategy papers. The question whether and how the obligations and responsibilities of other actors than states can be dealt with in the main study will also be tackled.

Furthermore, the chapter will try to answer the question if and how it might be possible to overcome these methodological problems. Possible solutions will be given that needs to be further elaborated and discussed in the main study. Many of the problems are related to the fact that the issue is new and to the relatively limited literature available. Thus, some of the problems identified cannot be solved in the realm of the pre-study. Instead the pre-study intends to give answers to how these problems could be addressed in the main-study and if it will be possible to overcome them or not. Other problems are not that serious as they seem, and can be more easily solved.

The chances in receiving answers to the questions raised are high. It will indeed be possible to find answers to the open questions or at least to give interim answers which are methodologically clear enough in order to develop the main project, even if it will take years to reach a final clarification. Solutions to questions raised have to be revised several times and discussed in several forums before one can expect a satisfactory answer. The international debate needs time to develop.

## **2.1 Questions related to ESC-Rights interpretation standards**

Several international lawyers still highlight the problems of achieving clarity in the description of the content and the respective state obligations of ESC rights, a concern that emanates from the different nature of ESCR compared to civil and political rights. Many lawyers have been trained in times were ESC-rights were not only to be seen as a different generation of rights that emerged and became modern during a certain time, but also perceived as rights with a inherent different nature that required more of a progressive realisation over time and positive actions by the states, instead of immediately justiciable claims that could be obtained for civil and political rights. Nevertheless, an increasing number of international lawyers now point at the considerably shorter period of public discussion and case related experiences these rights have enjoyed at the international level, compared to civil and political rights. Thus, more time and more case related experiences would be the key to overcome this gap.

The historic development shows that at least in the last years considerable progress in the clarification of the content of ESC-rights has been achieved. The degree of clarity reached varies however depending on the right. Some rights, such as the right to adequate housing and food have already been discussed for many years and in different forums.<sup>11</sup> The clarity achieved for these

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<sup>11</sup> One of the reasons why the international debate has concentrated on some rights more than other is the existence of

rights is comparably far reached. A second group of rights - the right to education and the right to health - have been dealt with in the last years and clarity in definition has recently been achieved. The discussions on the rights to adequate housing, adequate food, education and health have been further enriched and elaborated through the work of special rapporteurs of the United Nations that has considerably helped in clarifying certain aspect related to these rights. A third group of ESC-rights still lack a substantial debate and remains to be discussed, even within the Committee on ESC-rights. These cover the right to work, to social security, intellectual property rights etc. For some of the rights the CESCR is currently developing general comments. General comments will be important starting points for an in-depth debate related to these rights. However, it will take years before these newly achieved definitions will be generally accepted, confirmed and incorporated into international law.

The right to adequate food illustrates well how the debate regarding ESCR has evolved. The world food summit reaffirmed the right to adequate food in 1996, but demanded at the same time in the plan of action to clarify the content and the respective state obligations. The FAO and the office of the high commission for human rights signed a memorandum of understanding and conducted three international expert seminars to achieve such clarification. That process cumulated in the 1999 adoption of general comment No. 12 by the CESCR. The World Food Summit five years later even requested the elaboration of a set of voluntary guidelines to give practical guidance to governments on how to best implement the right to adequate food. The voluntary guidelines were to be developed in a two years period and will be adopted in autumn 2004 in the FAO council.

Thus, the more time, debate and specificity that is being invested to deal with the issues related to ESC-rights, the likelier it is to achieve clarity. Obviously the implementation of ESC-rights will require more positive state action in order to overcome violations of groups living in destitute conditions in comparison with action needed for the full implementation for civil and political rights. On the other hand, ESC-rights also create negative obligations to respect and protect citizens from being deprived of their right. Thus, the groups of human rights are not different by their very legal nature, but only in the degree of different levels of obligations linked to them.<sup>12</sup>

What are the main problems related to budgeting ESC-rights? First, it is necessary to discuss to what degree the costs of the implementing ESC-rights should be calculated. The proposal was to use the core content of the ESC-rights as a basis for discussion, as the full realisation of ESC-rights would first of all be too costly and secondly only achieved progressively. What level of content should then be chosen for the project?

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specific non-governmental organisations working in these areas, such as HIC (Habitat International Coalition) and CO-HRE (Centre for Housing Rights and Evictions) in the area of the right to housing and FIAN-International (Food First Information and Action Network) in the area of the right to food. Another important explanation is that these rights have been addressed in one of the big summits in the 90s, which has allowed to look more into the overall implementation problem for that right as well as into the relevant policy areas.

- 12 An increasing number of text books and articles in international journals have summarised that discourse of the different nature of the two groups of human rights. The arguments will not be further elaborated here due to lack of space. For a good summary of the debate, please see: (Eide , A./ Rosas, M/ Krause, Chr. eds. (2001): *Economic, Social and Cultural Rights – a textbook*, Dordrecht, New York etc.

*(1) Core Content / Core obligation*

Unfortunately the notion of core content is a difficult one, as many authors in the ESC-rights literature use the term differently. Some are basically refusing to use the term since it can be seen as reducing a broader understanding of adequate housing or adequate food to a very minimum. The term emerged from the necessity to identify more clearly what can be expected from countries immediately and what can only be expected in a progressive implementation process. In some general comments, the CESCR is using the term core content parallel to the concept core obligations. While the term core content is not precisely defined, core obligation is defined in General Comment No. 3 as: state parties have a minimum core obligations to ensure the satisfaction of, at the very least, minimum essential levels of each of the rights enunciated in the Covenant. Core obligation is therefore the better term to identify what state parties to a minimum have to do, while the term core content seems to reduce the scope of the right.

Concerning the **Right to Food**, for a long time it was considered that the core obligation derived from the notion of “the fundamental right to freedom from hunger” in Article 11.2 of the ICESCR, instead of the provision made in Article 11.1 that state parties recognise the right of everyone to an adequate standards of living for himself and his family, including adequate food, clothing and housing, and to a continuous improvement of living conditions. In the GC 12, the CESCR then formulated out of the two provisions in Art. 11 two different levels of core provisions. This is a bit confusing, as both definitions use the word core: first it defines the core obligations which is related to Art. 11.2, and then a broader core content of the right to adequate food which is basically equivalent to the overall normative content of the right to adequate food.

Part of the core obligations are the provisions in para 6 of the GC 12: the right to adequate food should not be interpreted in a narrow or restrictive sense which equates in with a minimum package of calories, proteins and other specific nutrients (para 6). Moreover: states have a core obligation to take the necessary action to mitigate and alleviate hunger..., even in times of natural or other disasters. This can only be interpreted in such a way that even at the level of the core obligation, states have to make sure that food is more than the right to be fed, but food must as well have certain quality and be nutritionally adequate and safe, and accessible in a way that respects dignity. One can expect from a government that the worst form of non-implementation of the right to food should soon be overcome. Besides these core obligations, the CESCR defines the core content of the right to adequate food in para 8-13, which is a broader definition and covers the full definition of the normative content of the right given in GC 12.<sup>13</sup> Is it then possible to equate the core obligation with the immediate obligations state parties have? The answer must be no, as the sentence of para 6 dealing with the core obligation requires that the states take steps immediately, whereas the effect to mitigate and alleviate hunger cannot be achieved immediately. Nevertheless, the core obligations put a concrete requirement on what governments should focus on. Necessary steps have to be taken immediately, while for the full realisation of the normative content, not all steps can be taken at the same time.

<sup>13</sup> The additional definition of a “core content” which identical with the general “normative content” let one assume that it might be a editorial mistake. At least “core content” is not defined different from the normative content.



It is then possible to conclude that for the right to food there is an identifiable definition of a core obligation that can be used as a starting point for the budgeting project. It will later be discussed if this definition is specific enough to use it for cost calculations. However, before doing that it is necessary to look into how the committee has defined the core obligations or core contents for other relevant ESC-rights.

When it comes to the **Right to Education**, general comment No. 13 contains a paragraph that precisely describes the core obligation of the right to education: To ensure the access to public educational institutions and programmes on a non-discriminatory basis; to ensure that education conforms to the objectives set out in article 13 (1)<sup>14</sup>; to provide primary education for all in accordance with article 13 (2 a)<sup>15</sup>; to adopt and implement a national educational strategy which includes provisions for secondary, higher and fundamental education; and to ensure free choice of education without interference from the State or third party, subject to conformity with “minimum educational standards...”

The core obligations that should ensure the satisfaction of, at the very least, minimum essential levels of each right, have been defined in general comment No. 13, in broader sense than in general comment No. 12 on the right to food. It contains the access to education institutions or programmes, certain quality criteria for the education itself, compulsory and free primary education for all, and the adoption of a national education strategy for all forms of higher education. Most of these provisions are not possible to implement immediately. One can observe that this interpretation of the core content by the CESCR goes above the understanding of an essential level of each right. In this sense, each of the rights mentioned for the major project could be dealt with. The core obligation as described in GC 13 is also possible to transfer into an operational cost calculation.

Concerning the **Right to Health** one can observe that the CESCR has again widened the scope of the core obligation. GC 3 notes that the “minimum essential level of each of the rights (enunciated in the covenant) (...), including essential primary health care (...) is, prima facie failing to discharge its obligations under the covenant”. The term “essential primary health care is described relatively broadly in paragraph 43 of the GC 14: “...these core obligation include at least the following obligations: (a) To ensure the right of access to health facilities, goods and services on a non-discriminatory basis, especially for vulnerable or marginalised groups; (b) To ensure access to the minimum essential food which is nutritionally adequate and safe, to ensure freedom from hunger to everyone; (c) To ensure access to basic shelter, housing and sanitation, and an adequate supply of safe and potable water; (d) To provide essential drugs, as from time to time defined under the WHO action programme on essential drugs; (e) To ensure equitable distribution of all health

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14 Article 13 (1) contains the aims and objectives of education, that try to qualify standards for education: , e.g. the education shall be directed by the full development of the human personality (that is one of the provision from the Universal Declaration of Human Rights (Art. 26 (2)), or education shall be directed to the human personality’s sense of dignity, it shall enable all persons to participate effectively in a free society and it shall promote understanding among all ethnic groups, as well as nations, racial and religious groups.

15 Article 13 (2 a) contains the right to primary education and has two distinctive features: Primary education is compulsory and available free to all. The CESCR has written an own General Comment on primary education (GC 11) which contains an even more elaborated interpretation of these features in paragraphs 6 and 7.

facilities, goods and services; (f) To adopt and implement a national public health strategy and plan of action, on the basis of epidemiological evidence, addressing the health concerns of the whole population a programme shall be devised, and periodically reviewed, on the basis of a participatory and transparent process. The programme shall include methods, such as right to health indicators and benchmarks by which progress can be closely monitored: The process by which the strategy and plan of action are devised, as well as its content, shall give particular attention to all vulnerable or marginalised groups.

The definition given here as “core obligation” seems to be much broader than in the two other general comments. It first refers to achievements in other areas than the right to health, as the health status of a person depends on the food intake and adequate water supply and access to sanitation. Those provisions related to the right to health are partially well defined such as (a), while particularly (e) is hard to operationalise. (F) requires that the government has to adopt and implement a national strategy, whose full implementation then will not be part of the core content. Most of the provision can remain if a working definition for the project should be developed. The provisions (b) and (c) would already be covered if we take up the right to food and housing in the main study. Thus, with the exemption of provision (e) the core definition given by the CESCR seems to be useful for the purpose of the project. (E) is difficult to operationalise and can be read as a qualitative guidance for the implementation of the health strategy and plan of action (f).

The **Right to Adequate Housing** was defined earlier than the GC 12-14, which were all adopted in the years 1999 and 2000. The general comment No. 4 on the right to adequate housing was written already in 1991 and later amended with General Comment No. 7 from 1997, which focuses particularly on forced evictions. General comment No. 4 does not contain a paragraph directly defining core obligations and the part dealing with obligations is extremely short and not specific. Nevertheless, General comment No. 4 contains certain provisions which are earmarked in a way that they could be seen as part of a core obligation: Paragraph 8 asks for the legal security of tenure. Paragraph 10 identifies the immediate steps that each country must take. Governments are required to abstain from certain practices and a commitment to facilitate self help by affected groups. Paragraph 11 sets priority obligations for action to “those social groups living in unfavourable conditions, by giving them particular consideration. Paragraph 12 asks for the development of a national strategy for shelter that should be developed and with which the implementation can start immediately. general comment No. 7 rules that all forms of forced evictions are *prima facie* incompatible with the covenant.

The provisions collected here as potential elements of a core obligation are, to a high degree, linked to the obligations to respect and protect. They do not shed light about how much one can expect from a government. There are two provisions that deal with positive government policies: the government must give priority to groups living in unfavourable conditions, and the government has to develop an own national strategy. To which extent the government has to reduce unfavourable conditions is not mentioned in the GC 4. For the operationalisation of the right to adequate housing it is therefore necessary to look into other documents related to housing in order to find a more precise description. A key provision would be to make sure that all people have a home. It has to

be taken into consideration that this can be seen only as a minimum essential level of the right to housing. Paragraph 7 of the GC 4 warns: “The right to housing should not be interpreted in a narrow or restrictive sense, which equates it with, for example, the shelter provided by merely having a roof over one’s head... rather it should be seen as the right to live somewhere in security, peace and dignity.” The three qualifications, security, peace and dignity therefore have to be added to the minimum core obligation. Other elements of the right to adequate housing, particularly provisions such as that the people should enjoy habitable housing at a safe and healthy location, housing has to be affordable, and the need for having access to essential services are of a progressive nature and will need more time to realise.

In the guidelines for a human rights approach to poverty reduction strategies, which have been developed in the last years by three experts for the office of the high commissioner for human rights, the same provision is given: on the list of targets and indicators for the right to housing, a first target is that all people should have a home.<sup>16</sup>

These PRSP guidelines have an additional feature, which is of interest for making the definitions of the core obligation more operational. They describe key features of policy changes or policy orientation, which are important for the realisation of each of these rights. While the lists used in the PRSP documents are quite comprehensive (up to 20 policy areas are mentioned regarding the different rights), the list should be used when defining a working definition of the core obligations in the main project. Some feature can be taken up from that list. That will ease any further operationalisation of the core obligations for the specific tasks of budgeting the cost of implementation. Such a working definition should be done at the beginning of the project following the guidance given in the pre-study.

One final remark should be discussed before closing the sub-chapter. What is the overall recognition of the general comments of the CESCR? Are these documents accepted enough to be used as a reference base of the definition of core obligations? Few countries have expressed doubts about their full acceptance of all standards achieved and definitions taken in these guidelines. Only few states parties have expressed their concerns particularly against the description of state obligations in the sessions of the CESCR. Some countries have expressed similar concerns in the working group of the human rights commission which is currently discussing the development of an optional protocol to the ICESCR. Most resistance concerns general comment No. 15 on the right to water, whereas GC 12-14 are less quoted. It is nevertheless important to note that states may have certain reservations against these expert opinions. On the other hand, the general comments are currently the most authoritative interpretation that can be found and used at the international level when seeking clarity on certain aspects of ESC-rights. Most governments have not complained about certain formulations and the human rights commission has welcomed the adoption of each of these general comments.

The right to adequate food was the first of all ESC-rights which was discussed in an intergovernmental forum and where the GC 12 came under strong scrutiny by state parties and non-state parties to the ICESCR. The intergovernmental working group for the elaboration of voluntary guidelines for the progressive realisation of the right to adequate food in the context of national food security discussed the different provisions, the definition of the content, and the description of state obligations in

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16 The text was written by the professors Paul Hunt, Manfred Nowak and Siddiq Osmani. The publication was organised by the Office of the High Commissioner for Human Rights on request of the Chairpersons of the CESCR in 2001 and 2002.

detail. While some countries were hesitant to support the interpretations of the right to adequate food made in the GC 12, the GC 12 was nevertheless mentioned in the introduction as a reference document. Moreover, the provisions of the GC 12 were basically taken and reiterated, with very few changes. This example shows that the substance of the general comments seems to be as strong that it cannot be ignored nor in other settings.<sup>17</sup> The general comments No 12, No. 13 and 14 were also developed with full support of the respective specialised agencies of the United Nations, such as the FAO, UNESCO and the WHO.

**Proposed solution:** For the right to adequate food and education it is possible to work with the definitions of “core obligations” as defined in respective general comment. The definition of the core obligations under the right to health is also more useful if the mentioned provisions (b), (c) and (e) are dropped. (B) and (c) will nevertheless be covered, since they are linked to the right to adequate food and housing. Concerning the right to housing the respective general comment does not contain a provision that clearly defines a core obligation. However, several elements for such a definition can be taken from the GC 4. The PRSP-guidelines propose that the implementation of the first target, that all people should have a home, should be measured. As a starting point for the main project it would be recommended that all four working definitions of the core obligations are elaborated following the lines of the recommendation given here, and that they are then presented to the respective special rapporteurs to get a final clarification. This will then give additional weight to the definitions used in the project. This is of particular importance for the right to health and the right to adequate housing. Each of the definitions should take up some of the key features for implementation that has been collected for each of the rights by the three experts that developed the PRSP guidelines.

## *(2) Selection of rights*

The main study has to be concentrated on a certain group of ESC-rights, because it would be too much work and too difficult to try to calculate the cost of implementing the whole covenant. It would be too difficult because several of the rights enshrined in the covenant have so far not been clarified, such as the right to social security or the right to work. The CESCR has several general comments in the pipeline, but for the time being it would be impossible to plan such project on the calculation of costs of rights that are not described precise enough. Among those rights for which a certain clarity has been achieved in the last years are several whose interpretation is most advanced and the criteria for taking them up are the following:

- The right to adequate housing, was described in general comments No. 4 and 7. A special rapporteur has been working on the right for several years. Two international NGOs have specialised in working towards a better implementation of that right. NGOs in quite a number of countries have started to work on the right to adequate housing. UN-Habitat is a intergovernmental agency support to work with a rights based approach.
- The right to adequate food, was described in general comment No. 12. A special rapporteur has been working on the right for several years. One international NGO have specialised in working towards a better implementation of that right. NGOs in quite a number of countries have started

<sup>17</sup> Even if the voluntary guidelines are only adopted after this pre-study is be finalised, more than 90 percent of the text is already without brackets and cannot be changed again.

to work on the right to adequate food. The FAO, IFAD and the WFP are intergovernmental agencies that partially support a work with a rights based framework, although to a varying degree.

- The right to education, was described in general comments No. 11 and 13.<sup>18</sup> A special rapporteur has been working on the right for several years. Some NGOs in a number of countries have started to work on the right to education. UNESCO is an intergovernmental agency that partially supports work based on a rights framework.
- The right to health was described in general comment No. 14. A special rapporteur has been working on the right for several years. Some NGOs in a number of countries have started to work on the right to health. The WHO is an intergovernmental agency that supports work based on a rights framework.
- The right to water was only recently defined by the CESCR with general comment No. 15 and is based on the right to adequate food and the right to health. Some NGOs in a number of countries have started to work on the right to adequate food. So far the work related to the right to water in intergovernmental agencies is still limited.

Given the information available and background to these different rights, two recommendations for a selection of rights for the main study are possible (1) first the concentration on the rights linked to Article 11, the right for an adequate standards of living, that would cover food, housing and partially water, or (2) second to take a broader sample of better defined rights from the covenant, food, housing, education and health. The right to water is still less precisely described. It is therefore an extra decision whether that should be taken up or not.

**Proposed solution:** It is recommended by the pre-study to take a broader set of better defined rights, because the result is much more plausible, when used in contexts of the debt discussion etc. There are also considerable experiences from NGOs doing budget analyses with the right to health and education. When all five rights are taken up they cover the very poverty related rights. That will guarantee that the results of the main study can be used in a much broader context in the discussion on poverty reduction. There is considerably less work done on the right to water, but it is recommended to include the right to water into the list of rights to be taken up in the main study as it is a very relevant right, particularly for some poor groups.<sup>19</sup>

### *(3) Progressive implementation and Use of Maximum of available resources*

Two provisions from Article 2 (1) of the covenant on ESC-rights are extremely relevant for the understanding of ESC-rights in general and it has to be checked if these provisions will create problems during the main study for the objective to calculate the cost of implementation. Article

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18 While General Comment No. 13 is a general comment on the right to education as related to Article 13 of the ICESCR, General Comment No. 11 was written separately, because Article 14 of the ICESCR requires each State party which has not been able to secure compulsory primary education to work out and adopt a detailed action plan for the progressive implementation of that goal.

19 Another important reason for integrating the right to water is the intensive work Brot für die Welt is investing in that area of the right to water. In the interest of coherence and co-ordination it is recommendable to take it up in the main study.

2 is of particular importance to a full understanding of the covenant. It describes the nature of the general legal obligations undertaken by state parties to the covenant. States should take steps by all appropriate means, including particularly the adoption of legislative measures, with a view to achieving progressively the full realisation of the rights recognised and state are required to take the necessary steps to the maximum of available resources. Both provisions progressive realisation and the “maximum of available resources” are often seen as being too vague provisions to know precisely what is expected from states and what not. So it has to be clarified if both provisions can create problems in the development of the main study because they are not specific enough.

The term **Progressive Realisation** is central for the interpretation of ESC-rights. The concept of progressive realisation constitutes a recognition of the fact that full realisation of all ESC-rights will generally not be able to be achieved in a short period of time. In this sense the obligation differs from that contained in article 2 of the International Covenant on Civil and Political Rights (ICCPR) which embodies an immediate obligation to respect and ensure all of the relevant rights. In the general comment No. 3 the CESCR had already qualified the interpretation of that phrase. The fact that realisation over time should not be used to misinterpretations, “depriving the obligation from any meaningful content”. States have first to show that they have started to “take steps” and that they have to show that they move as “expeditiously and effectively as possible” towards the goal of full realisation. Moreover, deliberate retrogression measure in that regard would require a full justification by reference to the totality of the rights provided in the covenant in the context of the full use of the maximum available resources. The possibility to use resource constraints as an excuse for non implementation of ESC-rights is a regular one, the CESCR is confronted with in the state reporting procedure before the Committee. It has embarked therefore with precise regulations to limit the use of such excuses to real cases of missing resources. The respective formulation from the general comment No. 12 is clear: Should a State party argue that resource constraints make it impossible to provide access to food for those who are unable by themselves to secure such access, the State has to demonstrate that every effort has been made to use all the resources at its disposal in an effort to satisfy, as a matter of priority, those minimum obligations. (paragraph 17)

While great emphasis is often placed on the difference between the formulations used in this provision of Article 2 and that contained in the equivalent article 2 of the ICCPR, it is not always recognised that there are also significant similarities between the two articles 2. While progressive realisation acknowledges the constraints due to limits in available resources, article 2 ICESCR also imposes various obligations which are of an immediate nature, e.g. the obligation that States undertake to guarantee that all relevant rights “will be exercised without discrimination.” In the later general comments the CESCR has described the different levels of obligations linked to the full realisation of ESC-rights. The obligations to respect and protect the rights enshrined in the covenant are also of an immediate nature, as is the obligation to protect the rights enshrined in ICCPR.<sup>20</sup>

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20 Under the obligation to respect all State parties have to guarantee that no own measures or policies are depriving people from the enjoyment of one of the rights under the Covenant. Under the obligation to protect the States parties have to regulate and control third parties effectively so that their activities do not lead to any form of deprivation of one of the Covenant rights. There is increasing literature applying the different levels of obligations to different Covenant rights. See particular, (Eide et al., (2001), (Sepúlveda 2003).

Thus, while the full realisation of the relevant rights may be achieved progressively, steps towards that goal must be taken immediately. The CESCR has demanded in GC 3 that “such steps should be deliberate, concrete and targeted as clearly as possible towards meeting the obligations recognised in the covenant. To measure implementation over time the CESCR has proposed that states should set verifiable benchmarks whose implementation can then be checked in a regular analysis with adequate indicators. In general comment No. 14 the CESCR is proposing to develop a full system to check progressive realisation by standardising the setting of benchmarks, the scoping if the chosen benchmarks are adequate and the later assessment of the implementation with indicators.”<sup>21</sup>

The term **Maximum of Available Resources** is a qualitative phrase, which from a methodological point of view is even more complicated to define than progressive realisation. It is a relevant question for all forms of assessment, if a State party has used its available resources for the progressive realisation. The phrase is particularly difficult, because different uses of resources might have varying effects on the implementation of ESC-rights. A totally inefficient use of resources, can diminish the available resources. Or resources might be used efficiently, but if the wrong policies are supported the outcome might not be as positive as hoped or might even be negative.

Fortunately, the issue of the maximum of the available resources is only of secondary nature for the main project, because the calculation of potential cost can be done independent from the current ceiling of resources. The calculation can then later become a extremely helpful tool to assess how a government has used the available funds. So while the maximum is not so problematic, the actual use of resources has a huge impact on the outcome. Different uses of resources might have different impacts and that leads to core discussion in which way one can best implement certain ESC-rights. The way in which resources are used has to be discussed in the cost calculations done in the main project. The discussion of the use of resources is quite easy for the right to education because under the minimum essential level the government has first to guarantee free, compulsory primary education which requires first and foremost investment in schools and teachers. Under the right to health the problems starts as you might invest the resources in a preventive or a curative system and the effectiveness may vary greatly. With regard to the right to adequate food, the issue becomes even more complex because a government needs interventions in many policy areas to guarantee adequate food for all hungry people, e.g. regulation on food safety to make sure that people do not become ill, because the food available is already unsafe, a functioning distribution system that reaches all hungry people must be present, the food has to be either produced or bought on the world market and needs to be transported etc. The question of where to invest first, in which areas to use the available resources is much more complex to answer under the right to food.

A solution to that methodological problem can be found, but not in theory it can only be done during the country studies. Each country has specific problems related to health, food and to housing and a cost calculation that can differentiate the effectiveness of different uses of resources can only be done with respect to the real problem groups. If certain groups are excluded from programmes, if no policy measure has been adopted for certain vulnerable groups all these questions can only be

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21 The so called IBSA proposal (Indicators, benchmarks, scoping and assessment) is contained in the paragraphs 57 and 58 of General Comment No. 14.

discussed country specific. Any cost calculation has therefore to start with an analysis of the core problems related to the implementation of one ESC-right in that country. What are the main victim groups and what are the main problems they face? Based on such an analysis a few groups of major importance can be identified and it is then possible to judge the varying effects policy measures might have on these groups.

The issue of maximum of available resources is additionally difficult, as priority in decisions regarding the implementation of different rights might depend on existing available resources. There might be situations where governments have to decide in which rights realisation it will put the available resources first. Nevertheless, these dilemma situations are often overstretched, particularly if the one focus on the implementation of the minimum essential level of ESC-rights. One can also see that parallel interventions in several areas are needed. To give a hungry person more food will not have any positive effect as long as the person has diarrhoea.

It is of a particular importance for the long term success of the work related to ESC-rights that answers can be given to state parties, as to how they should allocate the available resources, which priorities they have to take. It is therefore also recommendable to calculate the cost of the implementation of several ESC-rights because only then is it possible to contribute to decisions on priorities, to decide what should be implemented first.

**Proposed solution:** The nature of ESC-rights is such that part of the obligations linked to them can be implemented immediately others only over time. Nevertheless, the many years of discussion of the nature and content of the different state obligations has provided enough evidence to the understanding of the phrase progressive realisation so that it can be operationalised in the main study without major problems. This is primarily possible by concentrating the main project on the immediate part of the implementation of the ESC-rights and on the core obligation to realise the minimum essential level. Moreover, progressive realisation can be measured by analysing progress against defined benchmarks. The methodological problems related to the different utilisation possibilities for available resources can be solved in the country studies, if they start with an assessment of the core vulnerable groups and the core problems making these groups vulnerable. The qualification maximum will not be of relevance for the cost calculation. The cost calculation will give valuable hints to discuss the best use of available resources.

## 2.2 Availability of relevant indicators

Indicators can be a useful tools to measure progress in the implementation of certain policy decisions, or a right. As the project aims at calculating the cost of implementation of core obligations of certain ESC-rights, indicators can be helpful to measure the degree of implementation at a certain moment. Such indicators must nevertheless be broader than budgetary allocations at the national level as budget allocations is only one of possible important indicators and others are as well needed to measure implementation. This chapter will briefly summarise and analyse if there are enough meaningful indicators available to fulfil the objective of the main study: to calculate the cost of implementation.



The selection of adequate indicators is one of the tasks that has to be done on a national level, as the availability of data varies between countries, as well as the way measurement might be organised at the national level. Only with this country specific data, is it possible to discuss which type of indicators are required. Is a new collection of data necessary, or is it possible to use data already available on which new indicators to build for the monitoring can be built? Will it be possible in the course of the project to solve the issue of measurement in a way that will allow reasonable results?

A rights based measurement will require several rights based indicators. Most of the indicators that currently in use measure social-economic progress over time. They are outcome oriented - allowing the general status of enjoyment of a certain ESC-rights at a given moment to be measured, as well as indicating how that status of enjoyment will develop over time. One example is the rate of school enrolment for primary education. Many of the existing outcome or input indicators can therefore also be used for a rights based monitoring. Moreover a rights based measurement has to make use of disaggregated data as often as they are available. For example, how is school enrolment distributed among girls and boys? How is the enrolment rate for certain ethnic groups? Many of such outcome indicators are already available through measurement systems such as the UNDP's data collection for Human Development Indicators. There are often also available in a already disaggregated form. Disaggregation is normally done for nationally specifically affected groups, such as gender, religious groups, ethnic minorities or other specifically vulnerable groups.<sup>22</sup> What type of data that is available in a disaggregated manner depends on the country selected.

Knowing who the particularly vulnerable groups are in a country is an important starting point for the whole process of measurement using vulnerability mapping. This will make it possible to identify certain vulnerable groups for the implementation of a certain right in a specific country. UNDP has therefore discussed to develop a specific deprivation index, which should collect disaggregated data for gender, ethnic groups, income distribution to different quintiles, education level and rural-urban bias.<sup>23</sup> For the right to adequate food one can find a considerably developed vulnerability mapping system, called FIVIMS (Food Insecurity and Vulnerability Information and Information Mapping System), which was developed in an interagency cooperation.<sup>24</sup>

While most of the indicators used allow group or regional specification in the enjoyment of certain ESC-rights, the indicators, however, are not fully rights based. A human rights based indicator reflects, and is designed to monitor the realisation of the specific human obligation, usually with the perspective of holding a duty bearer accountable. For measuring violations it is important to estimate efforts of governments, obstacles they face, and the degree for progress or retrogression

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22 UNDP's available data and methodology is explained in each human development report. For years UNDP has invested a lot of energy into collecting more and more disaggregated data on all indicators used, particularly those for the human development index. UNDP started with a gender specific disaggregation. Others followed later (regional, ethnic etc.)

23 The idea is discussed in the Human Development Report 2000 (UNDP, 2000).

24 The Inter-agency Working Group on FIVIMS (IAWG-FIVIMS). The working groups consists of representatives from bilateral donors, many intergovernmental agencies, the Consultative Group system, international NGOs and regional organisations. The FIVIMS initiative has its origins in the plan of action of the 1996 World Food Summit. It was one of the few very specifically defined commitments of the action plan. The goal of FIVIMS is to contribute to the reduction of food insecurity and vulnerability through better inter-agency and national coordination and networking on food security information system. For more information see: (FIVIMS, 2000)

one can observe concerning the progressive realisation of ESC-rights. UNDP is proposing that human rights based indicators should follow seven principles: (1) respect, (2) protect, (3) fulfil and that they should measure if key principles are met in four different areas, and adequate action was taken (4) non discrimination, (5) adequate process, (6) participation and (7) effective remedy.

A FIVIMS paper on rights based monitoring recommends that a rights based monitoring framework may involve different types of indicators.<sup>25</sup> First of all, a list of indicators for rights based monitoring should cover (1) structural indicators, such as institutional structure and mechanisms. If legislation is available, the existence of national PRSP's, or of a constitutional basis for the implementation of certain rights. (2) Process indicators that should cover five principles: equity (such as that the poor and most vulnerable are given highest priority), non-discrimination, transparency (such as the degree of information available for rights holder groups regarding public policies and programmes), accountability (such as the existence of administrative and political mechanisms for holding duty bearers accountable, or access to justice for different population groups) and participation in the process. (3) Outcome or impact indicators, such as adequacy of dietary intake based on individual food intake surveys (energy, proteins etc.).

The set of indicators used for monitoring must be defined by each country as the relevance of some of these indicators will vary from country to country. It is important to measure trends and processes. Traditional development indicators, such as the ones used in the UNDAF common country assessments, are more indicators of outcome or result, and less of process or conduct. Nevertheless, conduct is an important part of the human rights framework.

The rights based analysis should focus on Who, Where and Why questions. Who are the vulnerable population groups? Where are they located, and Why are the vulnerable? Each group's livelihood strategy and activities need to be understood. The monitoring question would be: is each group after a certain period of time still suffering from the same causes, or are more people / households now enjoying the right? It becomes obvious that the question of causes and of policy evaluation is an important component of a rights based monitoring, and that an adequate monitoring needs both quantitative indicators and qualitative impact analyses.

Indicators must as well be designed to detect violations. This is the weakest part as little data is available that allows violations of ESC-rights to be identified. However, if the vulnerable groups are identified properly, it is also possible to measure their specific problems and the forms of violations they suffer.

Generally, it is easier to measure government compliance for the right to education and the right to health. Education and health are linked to few budget lines in the national budget, and are influenced by a reduced number of policy decisions. Output indicators measure better government compliance for these rights than e.g. for the right to food, as many influencing factors can contribute to the

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25 Monitoring the Implementation of the Right to Adequate Food. That draft information paper was made available for the third meeting of the Intergovernmental Working Group for the elaboration of a set of voluntary guidelines to support the progressive realisation of the right to adequate food in the context of national food security (FAO: IGWG RTFG / INF8, June 2004).

status of under-nutrition. However, also for the right to education and health, structural and process indicators are needed to have a fully fledged rights based measurement. This need is even greater for the right to housing and becomes even more complex when it comes to the right to food, due to the fact that policy decisions in a large number of areas will have effects on the right to food. It is therefore more complex to assess the potential impact of certain policy measure concerning the right to food.

Concerning the right to food it is also more difficult to select a number of relevant indicators. An international symposium in 2002 considered a large number of indicators and measurement methods with respect to food deprivation and under-nutrition.<sup>26</sup> It was concluded that hunger is a multi-dimensional problem and thus not one single measurement can capture these multiple dimensions or provide policy guidance. Five measurement methods were considered and discussed: (1) food insecurity measurement based on household income and expenditure data, (2) adequate dietary intake, (3) nutritional states, based on anthropometrical measurements, (4) people's perception of hunger and food insecurity and (5) the FAO measurement of under-nourishment. The best selection of measurements have to be made on the country level.

Nevertheless, the result of the symposium shows that the methodological problems regarding finding the right data can be overcome, even for a more difficult right such as the right to food. To overcome these problems it is helpful that (1) the main study only concentrates on the implementation of the minimum core obligations, and not the full implementation. (2) The indicators used need to be selected country specific, due to the fact that the vulnerable groups vary from country to country, as well as data available. (3) For each of the ESC-rights to monitor, a combination of structure, process and outcome indicators must be selected which will then enable the initiation of a rights based monitoring.

Finding indicators to identify vulnerable groups / households is the first step in the process of calculating the cost of implementation. When these groups are identified it is possible to make assessments of the policy changes needed to achieve improvements, and to assess the possible costs for these improvements. In order to assess the costs for improvements, it is important to know how much money currently is spent on certain policy measures, and to assess the effectiveness of these policy measures. In that respect a reliable analysis of the existing budget will be helpful.

### *Poverty data / poverty lines / poverty assessments*

An important set of indicators can be used from the poverty measurement sector. When developing a country specific indicator set, poverty data could be of value. All poverty indicators can be classified as outcome indicators. Data on poverty are normally either generated out of income and consumption data or out of a combination of education and health indicators, as done by UNDP. As already discussed it is precisely for the two ESC-right on education and health that outcome indicators can directly be linked with the implementation of human rights obligations. School enrolment for primary education is one of the core obligations under the right to education and a compliance that easily can be measured.

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<sup>26</sup> FAO. Proceedings of the International Scientific Symposium: Measurement and Assessment of Food Deprivation and Under nutrition, Rome, June 2002.

For the right to housing and the right to food, outcome indicators are more helpful for the identification of vulnerable groups. Poverty indicators, particularly if available in a disaggregated form, can be helpful to identify the particular vulnerable groups under the right to food, as nutrition related indicators alone (dietary intake), are not specific enough to identify why people are malnourished. Malnourishment can also be created by bad food habits or the non availability of certain food ingredients in a region. The correlation with the poverty data allows particular marginal groups or segments of the society to be identified.

National poverty lines calculations are also helpful orientation points for the main study. This data enables us to give a background assessment of the overall availability of resources in a society. However, poverty lines does not explain if violations or non-compliance with human rights cause poverty. But they can nevertheless help assessing the degree of action required from governments and to focus the attention of governments to those groups living below the poverty line.

Poverty lines can also be helpful for the cost calculation of the implementation of ESC-rights. Poverty lines allow us to make interpersonal comparisons; poverty lines for families of different sizes and composition, living in different places or different times, tell us what expenditures are needed in each set of circumstances to ensure the minimum level of standard needed to escape poverty. This data can be particularly useful by providing information about the regional distribution of poverty problems. This information is particularly important for families that live from a cash income, without income elements from own agriculture. The income of farmers is often not only cash based as for farmers a certain form of enjoyment of the right to food, housing, water and partially health is possible, even while they are cash-income poor, from their production and their property without selling their produce.

There are different forms of measurement for poverty lines. Poverty lines can be defined as the monetary cost of a given person, at a given place and time, or a reference level of welfare. People that do not attain that level of welfare are identified as poor. The open question is always how welfare is defined. The most widely accepted characterisation of welfare is a utility function defined over consumption of commodities. There are several so called objective methods. A popular practical method of setting poverty lines consists of finding the consumption expenditures or income level at which food energy intake is sufficient enough to meet pre-determined food energy requirements. Another method stipulates a consumption bundle deemed to be adequate for basic consumption needs, and then estimates its cost for each of the subgroups being compared in a poverty profile. Instead of these objective methods, which are often used in developing countries, subjective methods are also possible, namely by drawing self-reported perceptions of welfare adequacy, which is often done in developed countries. Seeing what bundle of goods are being used in the poverty analyses helps to understand what poverty means in a given culture, such as that people living below the poverty line in a specific country will perceive themselves to be poor, while those above will not. Such analyses can help to ascertain particularly vulnerable groups.

Thus, in the main study it is necessary to look into what poverty related data is available at the country level, and on what methodology has to be built up. This will be particularly helpful for identifying vulnerable groups in the society, even if a special analysis is needed with more specific data in order to carry out a comprehensive analysis of vulnerable groups for each ESC-rights.

### 2.3 Budget analysis and ESC-rights

There is a growing number of non-governmental organisations world-wide that have begun to use a budget analysis as a tool to check government compliance with human rights standards. An increasing number of organisations also carry out this work related to ESC-rights.<sup>27</sup>

In the course of budget analyses, NGOs start to look into an existing government budget and monitor changes in budget allocations over time. ESC-rights obligations are often used as criteria/benchmarks against which changes are measured. Unfortunately there are no examples where the cost of implementation of ESC-rights were fully calculated, probably because of the complexity of such an endeavour. The use of ESC-rights as benchmarks does however allow a first good use of ESC-rights in budget analyses.

An analysis of the allocation of public resources belongs to the categories of process indicators (see chapter 3.2). It will help to identify the presence or absence of implicit or explicit discrimination against, or exclusion of, specific population groups (women, children, rural population etc.) in setting policy or programme priorities. This will allow a comparison of the percent distribution of budgetary allocations in support of reducing the implementation of one ESC-rights, measured against public policy statements or other forms of benchmarks chosen. Comparing efficiency in allocation of public resources can also commence. One can compare the costs - outputs relationship of certain policies and programmes, particularly those focused on meeting the state obligations of protecting and fulfilling respective rights.

The analysis of public budgets is designed to answer the question of whether the government is allocating sufficient resources, or is increasing resource allocations over time, for the implementation of ESC-rights. This analysis is rather complex, and involves an upfront set of criteria to classify public budget expenditures as being pro the implementation of the ESC-right. Such a set of criteria has to be developed in the first part of the main study.

The analysis of public budgets should not be mixed with the title of this project, which is directed towards assessing the total cost of the implementation of the core obligations for a selected list of ESC-rights. The budget allocations will only cover parts of the total costs and policy changes needed for the implementation. Nevertheless it will be the group of NGOs that has worked with budget analysis so far, from whom our possible counterparts should be chosen, as they have already developed methodological skills in costs calculation for specific policy measures. The methodological knowledge of budget analyses will be of great help to achieve the planned cost calculation methodology.

### 2.4 Criteria for country selection

In order to get an outcome in the main study that is more than a country specific calculation of costs for the implementation of certain ESC-rights, but also a methodological tool that could be used in

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27 The International Budget Project is an NGO based in Washington which has tried to work as a communication exchange centre for those involved in budget analyses. They have published handbooks on how to carry out budget analyses such as "A guide to budget work for NGOs from 2002", Washington, and they have also published success stories from budget analyses: "A Taste of Success. Examples of Budget Work of NGOs", Washington 2000.

several countries, it is recommendable that several country examples are chosen, preferable from different continents. Three additional criteria for the selection of countries have been applied in the pre-study:

- (1) The methodological criteria for country selection that should be taken into consideration are linked to two models:

Type 1 would build on most similar cases, e.g. countries with a similar living standard. To have similar cases avoids the problem when too many additional explaining factors can interfere in a comparison.

Type 2 would build on cases which cover a wide range of countries with a different endowment of resources. That would allow us to develop and apply the planned methodological tool in different endowments, and would guarantee a broader applicability. It would reduce the comparability of the case studies, which would broaden the understanding for the effectiveness of government interventions in a given situation.

In order to develop the methodological tool, type 2 seems to be the better choice for the main study. The country selection should then cover middle income countries, highly indebted poor countries and countries with a PRSP approach.

- (2) Another important consideration is the availability of non-governmental organisations or researchers that would be able to run such a two year programme.
- (3) It has to be guaranteed that these countries are not dominated by a war or internal conflict, where the rule of law is basically out of function, as a rights based framework builds upon the rule of law.

Due to this criteria, the following countries are proposed. Main criteria was No. 2, the availability of potential counterparts in those countries. In Asia and Africa a further selection should be made based on discussions with the counterparts at the beginning of the main project. Good counterparts were selected from the criteria of either being specialists in ESC-right work or in budget analyses. Ideally they already work in both areas, such as in South Africa and Mexico.

#### **Asia**

- India (good local budget analyses group)
- Indonesia or Thailand (counterparts available)

#### **Africa**

- South Africa (good counterpart)
- Ghana (would be a PRSP country / counterpart available)
- or Nigeria (counterparts available who do both ESC – and budget analyses)

#### **Latin America**

- Mexico (good counterpart)
- Brazil (rights based strategy of the government could be checked, good counterparts available)

### III. How to set up an appropriate study process

The study process envisaged must be set up in a way that the methodology developed can be used as a tool both by civil society organisations in different parts of the world, as well as by government based monitoring institutions and processes. It has to be a rights based methodology and it has to fulfil certain quality criteria. Furthermore, it must be (1) understandable and easy to apply for potential end-users, (2) a rights based methodology, that gives an additional value to traditional monitoring and (3) at the same time it must be based on sound verifiable scientific ground, otherwise will not reach out and influence governmental or intergovernmental monitoring procedures. In this chapter some proposals will be made regarding how such a study process could be appropriately set up. The eventual costs will be calculated for two different variants in which the number of country studies vary.

The setting of the study process would be the following: teams in different countries try to budget the cost of implementation of core obligation of a given set of ESC-rights, which are particularly relevant for poverty issues. The countries should come from different continents in the South, Africa, Asia and Latin America. The countries should represent different national situations as well as a varying degree of problems (see arguments for the country selection in Chapter 3.3). Only if a variety of countries and problems are analysed in the course of the study process, can one get a final judgement regarding the quality and adaptability of the methodology used. In the first set up, two example countries from each continent would be recommendable, while in the second set up only one example country per continent would be appropriate.

The proposal for organising the main project will be presented in the following. First there will be a proposal regarding the working structure for the project implementation, that will be followed by a detailed work plan and a cost calculation:

- (1) Structure:** The proposal for a structure is build around the need to co-ordinate the different country studies that should be developed in the course of the project period, and to make sure that enough expertise is available during the project to improve the methodology in a permanent learning process. It is therefore proposed to set up an accompanying advisory council composed out of several scientists from different areas, such as international law experts, experts on development policies, social statistics and indicator development, but also representatives and experts from civil society organisations, who can estimate if the process will lead to relevant information and results for especially poor segments of the society.
- a) The study process would need a co-coordinating unit with a full time position for the whole period of two years. It should be based in Europe to facilitate the work with the project advisory council. The project coordination should guarantee an effective flow of information and guarantee that effective communication tools exist in the network of national research groups.
  - b) The co-ordination unit shall consist of representatives from the 3 – 6 research units from the implementing council at the national level.
  - c) The project advisory council shall consist of maximum 15 persons in addition to the implementation council. They should meet twice for a review of the interim results, first after

one year, and then for a review at the end the second year. The following groups should be represented at the advisory council:<sup>28</sup>

- i. The organisations that have initiated and are financing the project
  - ii. Scientific experts from different backgrounds (experts on ESC-rights, poverty statistics, experts in methodology for monitoring (such as Paul Hunt, Martin Ravallion, Maarten Immick)
  - iii. Representatives from intergovernmental organisations which have relevant experiences but could also become potential users of the tool (such as: Office of the high commissioner for human rights, Mr. Rajeev Malhorta, Team of the special rapporteur of the right to food, Ms Sally-Anne Way, a representative from the FIVIMs interagency unit (Mr. Maarten Immink),
  - iv. Representatives from national human rights institutions, preferably from the example countries (such as Human Rights Commission in South Africa, Ms. Charlotte McLain, National Rapporteur on the right to food in Brazil, Mr. Flavio Valente)
  - v. Representatives from international non-governmental organisations or networks that could become important multipliers: (such as: International Commission of Jurist, Mr. Edwin Berry / International Budget Project, Ms. Anne Blumberg / ESC-Net / Lutheran World Federation, Mr. Peter Prove / representative from the networks on debt issues)
- d) Scientific supervisors: the project should have two scientific supervisors, that would function as continuous advisors during the project time. Preferably would be if they also would be part of the advisory council (such as Paul Hunt, Maarten Immink).
- (2) **Phases of the project implementation / Duration of the project:** The proposed project duration is two years and the activities could be developed in five phases.

**Phase 1:** Preparation (3-6 Month)

1. Detailed concept for the operationalisation, finalisation of methodological details
2. Check of the operationalisation with the two scientific supervisors
3. Background information about the project should be developed to interest other organisations working in this area.
4. Construction of the advisory net. Contact all persons that should be involved. Background information and plan of operation is sent to all members of the advisory committee
5. Discussion and set up the programme with counterparts in southern countries

<sup>28</sup> The names of specific persons and institutions are illustrative and are only mentioned to give a more practical idea, how the council could look like. The persons have not been contacted so far.



**Phase 2:** First investigation phase in all example countries (9 months)

6. Start of cost calculation in all countries
7. Internal workshop in all example countries to clarify methodology, expected results etc. + external workshop with national experts
8. Regular accompanying of national work
9. Preparation of first interim report in the example countries

**Phase 3:** Interim report workshop with representatives from example countries and advisory council (could be organised with the office of the high commission for human rights)

10. Evaluation and improvement of methodology
11. Assessment of validity of first calculation results
12. Agreement about necessary changes in the setting of national calculation work

**Phase 4:** Second research phase at the national level (6-9 month)

13. Interim report for information of interested observers
14. Finalisation of country studies
15. Preparation of final reports at country level

**Phase 5:** Report writing / Preparation of final tools (6 month)

16. Writing of final report
17. Preparation of a tool for using the methodology that can later be used by other organisations
18. Development of material in order to present the outcome of the project to different constituencies

**(3) Final results / expected outcomes**

- The cost calculations
- The development of a methodology
- A Tool that can be used by civil society organisations
- A useful final report

**(4) Budget / Cost calculations**

<b>Budgeting ESC-rights – main project</b>			
Phase 1	Preparation	12 month a 3000 € including office costs	36.000,- €
Phase 2	First round of Investigation	6 month a 18.000 € (6 example countries a 3.000 €)	108.000,- € / 54.000 €
Phase 3	Investigations space for all ESC-rights	15 times 2.000 € travel + 20.000 € translation and documentation	50.000,- €

Phase 4	Second round of Investigation	9 month a 18.000 € (6 example countries a 3.000 €)	162.000,- € / 81.000 €
Phase 5	Report writing/final workshop	Final workshop (calculation see interim workshop) Production cost final materials	50.000 € 10.000 €
	Unforeseen		40.000 €
	Total:		446.000 € / 309.000 €

#### IV. Utilisation context and target groups for the outcome of the process

The outcome of the main study, i.e. the country studies, is a methodology. It would analyse whether governments use the maximum of their available resources for the progressive implementation of some of the ESC-rights. The methodology of such an analyses should subsequently to be transferred into a tool for practical human rights monitoring work. The methodology itself will have to be developed and adopted in each country specific study, because in some countries certain policy areas are important for the realisation of certain ESC-rights, in other countries other policy areas. For any specific monitoring work the methodology needs to be further adapted. Therefore, the main study process, i.e. the country studies should cover the development of the methodology and should produce a hand book on how to use and adapt the methodology in a given country.

Such a tool based on a country specific methodology would be an outcome that is of interest for many of the partners of the EED in developing countries:

- It would be useful for all those partners who are involved in monitoring national policies related to poverty issues. Only few partners will be involved in a rights based monitoring so far, but more are involved in issues such as analysing government policies in certain policy areas and the impact of national policies. The methodology would allow human rights criteria to be applied to existing monitoring work.
- For those partners are already involved in analysing priorities in government budgets at the national or local level, the outcome would be an additional tool for their analyses and judgments. Several of those organisations working with budget analyses are already trying to apply a rights based framework. But they are used to scrutiniz whether government budget allocations are spent in the right fields. In addition, the new methodology would enable them to analyse, if enough money is earmarked for implementing ESC-rights and if all duty bearers under the convention are meeting their human rights obligations.
- Those partners in the south who are involved in PRSP-processes can make use of a tool for monitoring which is based on internationally recognised human rights standards. It can similarly be used by NGOs in the North, who follow the PRSP-processes from abroad. This tool will help to base their political demands on sound and factual footing and will therefore make it more practical and strong.

- The methodological outcome could also become a useful tool for the discussion on what governments are obliged to do internationally. A number of organisations have started to work on analysing the impact of intergovernmental organisations on the enjoyment of ESC-rights in specific countries, e.g. with the international responsibilities of intergovernmental organisations (IGOs). IGOs do have relevant influence in budget decisions of governments in developing countries, particular in poor countries, either in PRSP-processes or in debt rescheduling negotiations. An increasing number of international experts are supportive to the view that IGOs have own obligations to respect, protect and support the fulfilment of international recognised human rights standards in their own policies.<sup>29</sup> Besides that work with IGOs, there is an increasing interest in NGOs and CSOs in North and South to incorporate extraterritorial obligations into their monitoring work. State Parties to the ICESCR are obliged to respect, protect and support the fulfilment of ESC rights also in their external policies that will have an impact on other countries external obligations. Moreover, these obligations do not end, when the governments act in intergovernmental organisations (international obligations).<sup>30</sup>

Apart from partner organisations in the South, the potential outcome could also be used by those organisations in Germany including many local church based organisations who are actively involved in work concerning the problem of debt reduction and debt sustainability of developing countries. The level of budget for food, health, education, housing, etc. that should be reserved in a national budget, before the finance minister is obliged to repay the debts of his country could be substantiated with the newly developed methodology. To base such an assessment of the cost of implementing the core content of several ESC-rights would be a strong political argument in the debate, since the implementation of the core content of ESC-rights is a human rights obligations. That would have an important impact on the debt sustainability debate.

If the methodology gains international support in the long run, one additional result of the country study experiences will be that it will be possible to describe the content of the obligations more precisely.

The development and availability of such a new methodology to different groups of civil society organisations, as described above, would be a key outcome of the project. There are also other potential outcomes, which would be of major importance:

- The new country specific methodologies could become useful tools for those treaty bodies that are involved in monitoring human rights compliance of states performance with relevance to ESC-rights. This is first and foremost the Committee on Economic, Social and Cultural Rights (CESCR).<sup>31</sup> In its regular state reporting procedure to the CESCR in Geneva questions are raised about how much should be spent on certain policy areas, how to set priorities in gov-

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<sup>29</sup> see for example: Skogly 2002, Künnemann 2003, as well as the latest reports of the special rapporteurs on the right to food (Jean Ziegler), housing (Miloon Kothari) and on Health (Paul Hunt). The overall literature on obligations of IGOs is increasing fast.

<sup>30</sup> For the terminology used, please see as a background text: (Brot für die Welt, EED, FIAN, 2004)

<sup>31</sup> While the other treaty bodies are established through the treaties themselves, the Covenant on ESC-rights does not contain a provision to set up a treaty bodies. The CESCR was established later (1986) by an ECOSOC resolution. Today it treated on an equal footing as the other treaty bodies.

ernment expenditures and to assess whether the state is using the “maximum of its available resources”. The surveillance of such questions are all at the core of the committee’s work. The potential outcome of the main project could therefore be of particular help for the regular work of the CESCR. Other treaty bodies have also the task of looking into the issue of implementing ESC-rights, because they are incorporated in the text of their treaties, such as the Child Rights Committee (CRC) and the CEDAW-committee (Committee on the Convention to end all forms of discrimination against women). The other treaty bodies also look from time to time into cases or situations in which ESC-rights are involved, such as the Committee on Racial Discrimination (CRD) or the Committee on civil and political rights, particularly under the right to life.

- The new methodology could become an focal point of orientation in the increasing debate at the United Nations to develop adequate indicators for the implementation of human rights and a human rights based development framework. As shown above on the example of the monitoring of vulnerability for hunger and malnutrition as it is done in the Food Insecurity and Vulnerability Information and Mapping Systems (FIVIMS) interagency group, the development of an adequate methodology to monitor the implementation of ESC-rights can be influenced by existing monitoring activities of UN or national institutions, but can also have an affect on the future developments of these monitoring mechanisms. This is true for the international monitoring organised normally by intergovernmental organisations, such as the Food and Agriculture Organisation (FAO), the World Health Organisation (WHO), the United Nations Development Programme (UNDP) and the World Bank. It is also true for national monitoring endeavours such as poverty reporting to parliaments or human rights implementation oriented monitoring governments do on their own. The new alliance of the secretariat of the intergovernmental working group on the right to adequate food in the FAO and the FIVIMS secretariat, as described above, will be a first group that has the specific task to develop adequate indicators for the measurement of the full implementation of the right to adequate food. The outcome of the main study could be influential for that group and vice versa.
- National human rights institutions, which in most countries are independent from government and have certain prerogatives to investigate violations of human rights and to check if governments are implementing their human rights obligations, lack – in most cases - a well elaborated instrument , on how to fulfil their task in the areas of ESC-rights. They often have well established investigation and analysis instruments in the area of civil and political rights, but adequate instruments for ESC-rights are missing. The methodology that will be the potential outcome of the main project could therefore be of relevance for those national human rights organisations interested in improving or intensifying their work related to ESC-rights.

The new methodology would only be a starting point. After the main project it will be important to try to initiate a broad international debate about the utility and validity of the methodology. The best would be to incorporate at early instances in the process of elaborating the methodology several well recognised international lawyers from key constituencies, because it will then be easier to discuss the main outcome with these constituencies later. It will be crucial to introduce such a methodology to all the different target groups described here. It will be of particular importance to get key players among the target groups to use it and to adopt it to their particular needs of

monitoring. Key actors are for example the CESCR or national human rights institutions because they have a multiplying function. If they start to use a certain methodology this will be recognised by many other institutions. They can influence the setting of standards for monitoring compliance with ESC-rights. One of the core outcomes of the main project would therefore be to influence the standard setting for monitoring the implementation of ESC-rights and the compliance of states with its obligations.

The potential influence in the standard setting is possible, because the current debate on ESC-rights has shown that governments openly pose questions such as: How much will it cost to implement ESC-rights? Do we have the resources to do it, or is that a potential area where we will always be guilty because the implementation of ESC-rights is much too expensive and an endless task? If only limited resources are available, what do we have to do first, to act in line with the human rights obligations? These are some of the key questions raised by governments in the first session of the newly established working group of the human rights commission, that discusses options how to establish an individual complaint procedure for the ICESCR.<sup>32</sup> Judging by the type of questions raised, it is obvious that at the core of the existing reservation against ESC-rights among governments is the fear for the potential cost of implementation and obviously before the necessary policy changes and their impact to implement the rights. Having developed a first base for calculating the potential costs of hunger and presenting the results internationally for an open debate, will therefore be of critical importance for the whole ESC-work.

Why should this work, the development of an adequate methodology of analysing the progressive realisation of ESC-rights and the influencing of the standards setting at the international or national levels be taken up done by the EED and its partner agencies of the APRODEV network and its overseas partners?

It is first (1) the described utility of the results for the above mentioned constituency, particular for partner organisations in the South, but also for local church groups in the North. An increasing number of human rights organisations and other social movements and NGOs - also among the partners of the EED- apply a rights based approach to development issues. To collaborate with partners and to move the international debate on ESC-rights further would be extremely helpful work.

It is secondly (2) the network in which the EED works that allows a certain political weight and a broad distribution of the results, such as through its ecumenical co-operation in the world council of churches, with the church development agencies all over Europe (Aprodev), but also the partner network, which has strong national partners in several countries, as well as partner dialogue structures such as Rete PTA in Brazil

(3) The EED would certainly achieve a much a higher profile in the overall work on ESC-rights both at the national level as well as at the international level, particularly because the issue dealt within the main project is at the core of current ESC-debate. The outcome would be crucial to

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<sup>32</sup> The working groups on the optional protocol to the ICESCR first met in February 2004. The mandate was prolonged for additional two years in the 2004 session of the Human Rights Commission.

further mainstream ESC-rights in all areas in which the monitoring of implementation of ESC-rights and the compliance of governments with their obligations is taken up both in international organisations and in national government institutions.

It would be (4) a substantial contribution to the further development of ESC-rights in international law. Many contributions are needed to move the international law debate. The project outcome will be one among many others in the coming years. Nevertheless, because it is on a core issue it will be of high relevance. NGOs as contributors to such debates on standard setting are enjoying increased importance, particularly because they can contribute practical information and knowledge, based on their experiences in different countries world wide.

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# Financing Gender Equality Is Financing Development\*

*Barbara Adams and Marina Durano*

**F**inancing for gender equality is a critical part of the discussion on financing for development. All national and international economic policies affect women, in ways that serve to advance or hinder their livelihoods. At the same time, economic growth and human development, to be sustainable, require women's full participation in the economy, making it necessary to tailor development finance to the needs of both women and men. Sustainable development depends on tapping the talents of everyone in society, even as equality and social justice mark stable, flourishing societies.

Regardless of their development status, all countries rely on two basic sources of financing: domestic and international. Governments and the international community manage these through macroeconomic and trade policies, and international agreements. Domestically, macroeconomic policies set parameters for the national economy. They guide the mobilisation of domestic resources, set public expenditures and moderate the money supply, acting as levers to raise or lower barriers to different kinds of financial flows. International financing comprises foreign direct investment and private capital flows, international trade, and external assistance, mainly through official development assistance (ODA) that includes cancellation of debt repayment obligations. For many low-income countries, ODA and debt cancellation will be priorities. Emerging economies may be more focused on private capital flows and trade, relying less on external borrowing because they are able to access private capital markets more easily or they have relatively more robust domestic resource mobilisation strategies, although some middle-income countries continue to bear a large debt repayment burdens.

Ongoing discussions on financing for development often highlight how economic growth will spur progress towards the Millennium Development Goals (MDGs), including poverty reduction and gender equality. Many national development strategies continue to stress economic growth and stability, maintained in part by tight controls on inflation.

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This approach, however, has led to cuts in public investments that play a critical role in development. And it has a mixed record in redressing inequalities. In many countries, poverty continues to increase, despite improved macroeconomic management. Gaps between the rich and poor are widening<sup>1</sup>, owing in part to growth that fails to generate adequate employment.

Today, there is growing recognition of the need to foster high-quality economic growth that is equitable and sustainable. Many countries are promoting more inclusive financial sectors, and per capita social expenditures are increasing. International agreements, including the millennium declaration and the monterrey consensus, have endorsed financing policies that move beyond narrow definitions of income growth to embrace the more comprehensive goal of human development, that is, expanding people's choices to improve their lives.

While gender equality is acknowledged as essential to human development, much more needs to be done to ensure that all aspects of development financing, whether domestic or international, fully recognise women's economic contributions, and support their economic security and rights. Towards that end, policy alternatives must constitute ways to promote both employment generation and productive growth, reduce unfair disparities in incomes and assets, moderate vulnerabilities related to the profound changes in the global economy, protect against environmental and social risks, and explore innovative sources of financing<sup>2</sup>. All countries have a responsibility to advance gender equality goals. The specific policy mix adopted to achieve these, however, will differ depending on overall development objectives, as choices appropriate for low-income, middle-income and high-income countries will not be the same.

### **Set a balanced domestic economic policy agenda**

The monterrey consensus highlighted domestic resource mobilisation, both public and private, as essential for sustaining productive investment and increasing human capacities. These investments and capacities should lead towards the kind of diversified economic growth that provides opportunities for people at all levels to lead better lives. The domestic public policy tools that can guide this process include targeted public investments, fiscal and monetary instruments to moderate economic downturns, and policies to promote decent work.

The balanced use of these tools provides an alternative to the conventional policy goal of holding inflation in check<sup>3</sup>. The tools used to contain inflation raising interest rates and cutting public spending have negative implications for gender equality and poverty reduction, as well as for the stability of the economy as a whole. While controlling inflation has helped restore fiscal credibility to many countries, an overly rigid application of this strategy can suppress growth, raise unemployment and encourage over-dependence on short-term external finance, thereby increasing economic volatility<sup>4</sup>.

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1 For an in-depth discussion, see Nissanke and Thorbecke (2005)

2 Cagatay and Erturk (2004)

3 Suggestions for alternatives to inflation-targeting are found in a series of papers produced by the Political Economy Research Institute at the University of Massachusetts-Amherst. See [www.peri.umass.edu](http://www.peri.umass.edu)

4 For a more detailed discussion, see Spiegel (2006)

This puts women at a particular disadvantage, since women already face steep barriers to credit, assets, employment and services.

A more balanced policy framework can provide opportunities for governments to improve the overall economic outlook, and meet national and international poverty reduction and gender equality commitments. Gender analysis, strategies and data still remain mostly absent from major public policy statements, including poverty reduction strategy papers, but several methods have emerged to encourage greater balance. These include gender responsive budgets, endorsed by the Monterrey Consensus, and results-based public expenditure management, a key part of economic governance approaches designed to foster public accountability. Gender-specific outcome indicators can measure how domestic resource allocations are advancing gender equality, assisting countries to comply with the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). Ongoing analysis of market and non-market forces should track gender differences related to labour, income and access to public services, so that policy adjustments can be made accordingly.

## **Emphasise employment and decent work**

Among the trade-offs of macroeconomic policies narrowly focused on inflation is stagnant or slowed employment growth, often failing to keep pace with economic growth overall. Not only does this contribute to widening income disparities, the uncertainty it creates risks putting a brake on continued economic growth.

Tight employment markets generally hurt unskilled workers first and hardest<sup>5</sup>. Women not only tend to be less skilled than men, they also tend to be last hired and first fired, since their earnings are still often seen as supplementary. This partly explains the fact that while record numbers of women have entered the labour market in recent years, female unemployment rates are higher than male rates in almost all parts of the world. Even in industries where women make up the great majority of the workforce, albeit in poorly paid and insecure jobs, their share has declined as tight job markets oblige men to accept these same conditions<sup>6</sup>.

National economic policies need to foster the creation of decent work for all as a key step towards poverty reduction, gender equality and equitable growth. This includes training that improves women's options across different sectors of the labour market, and access to finance for women entrepreneurs, especially in small and medium enterprises. Policies to create decent work should fully account for rapid changes in labour markets and opportunities related to trade liberalisation. Particular efforts are needed to reach the large numbers of women in informal work. And in putting in place the social safety nets that ensure the efficient functioning of labour markets, attention must be given to the need for quality jobs with flexible time schedules and affordable child care that may be more critical for women than men.

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5 Spiegel, Shari (2006)

6 Standing, Guy (1989; 1999), Barrientos, Stephanie, et.al. (2004), Heintz, James (2006)

## **Make public investments that enhance economic productivity**

In general, macroeconomic stabilisation plans, promoted by international financial institutions (IFIs), have tended to severely constrain public investment, often leading to drastic shortfalls in public services<sup>7</sup>. A common argument in favour of such plans is that public investment crowds out private investment, thus hindering economic development. Yet there is considerable evidence of the value of targeted public investments to development. The expectation that the private sector will fill gaps in services traditionally provided through public funding has proven overly optimistic.

This last notion has been particularly burdensome in lower income countries lacking the economic strength needed to attract private capital, and even in middle-income countries without sufficiently developed capacity to encourage investments through the mitigation of potential risks. There are also serious questions about whether private sector provisioning increases the quality, reliability and accessibility of services, and whether budgetary positions actually improve. Many public-private partnerships have guarantees, subsidies and financial incentives that could become government liabilities, so while expenditures are cut in the short term, potential burdens from liabilities increase<sup>8</sup>.

Public investments can foster economic expansion and stimulate employment through the management of economic demand, and the development of individual and national capacities. They can provide the basic goods and services required to jump-start and sustain economic growth. Supportive national policies can also strengthen market forces associated with innovation and technological advances, and help different productive sectors form mutually beneficial links.

A gendered approach to public investments could look at the gaps in women's economic participation and productivity. Women have specific needs in terms of health care, education, employment and infrastructure. The lack of these services makes it more difficult for women to contribute as full economic agents. Public investment in infrastructure, for example, requires planning that takes into account gender-specific needs for mobility and security. Safe public transport may facilitate women's access to employment, education and health care services.

## **Invest in socially reproductive activities, and broaden social insurance and protection**

Women working outside the home often take on a double burden, as in most cases they continue to be responsible for household and care-giving tasks. This arrangement is convenient for markets and states, since it lessens pressure on these institutions to share in the responsibilities for care. It also preserves the consolidation of property and other assets under mostly male control, since these have never been associated with reproduction—women's labour being considered the only asset necessary. Women therefore have limited employment options and tend to cluster in part-time or home-based work that lack security and benefits.

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7 Roy, Rathin, et al. (2006)

8 Bayliss, Kate and Tim Kessler (2006)

Socially reproductive activities are not only about women's household labour. A broader perspective—encompassing how a society provides care to its members through the combined work of states, markets and households—needs to be part of macroeconomic policy-making. This starts with the recognition of the significant economic contribution made by socially reproductive activities, and the fact that while everyone benefits from these, the responsibilities are not equally shared.

Increasing government investment in socially reproductive activities can be seen as a contribution to the effectiveness of fiscal policy<sup>9</sup>. In developing countries where many households and firms are cash and credit-constrained, the ability of economic agents to access benefits through publicly provided services can have a strong multiplier effect on GDP, since these households and firms will spend all or most of what they receive. In a developing country context, programmes supporting socially reproductive activities will be cost-effective as production costs tend to be low.

## Encourage equitable access to assets

Equitable access to assets such as land, capital and natural resources establishes a more level economic playing field. It ensures that all members of a society have opportunities to increase their capabilities, better their own lives, and contribute their talents and capacities to the society as a whole. Guided by appropriate policies, this helps unleash competition that can lead to efficiencies in production and balanced growth.

Gender inequalities in access to land and other assets need to be taken into account in efforts to level the economic playing field, including through redistribution mechanisms. Land reform programmes, for example, may need to take into account inheritance or divorce laws and customs, which may continue to permit *de jure* or *de facto*, gender discrimination<sup>10</sup>. Land and other assets can serve as a capital base from which women can generate wealth.

Social insurance and protection mechanisms, which perform redistribution functions by transferring wealth from richer to poorer households, often include regulations that reinforce gender inequalities. Many issues that limit women's access to benefits relate to the nature of women's participation in the labour market, which can be punctuated by departures due to child bearing, characterised by part-time work and marked by lower contributions due to lower wages—even as women generally live longer than men.

## Moderate economic cycles

Counter cyclical policies, designed to counter economic downturns, are an important tool for lessening the negative social and economic impacts of such downturns. Cuts in interest rates for example, can be used to slow economic decline by making credit more available, while at the same time fiscal

9 Adesina (2007) discusses how retrenchment in state provisioning of health and educational services was borne by end-users, particularly women who have the obligation to provide nurturing and childcare. Adesina (2007) also discusses the how the increased imposition of use-fee charges have increased social exclusion.

10 Nyamu-Musembi, Celestine (2005)



policy is loosened in order to continue to maintain public investments. Several tools are available to trigger counter cyclical policies depending on a country's administrative capacity and level of development. Middle-income countries, for example, can use an estimate of their "full employment deficit" as a target so that fiscal tightening will not be as severe as when current fiscal deficits are the basis. Least developed countries can focus on primary fiscal deficits (fiscal deficits minus interest payments) if international financial institutions agree to finance the interest costs. Another method is the judicious use of fiscal stabilisation funds that are reserve pools generated when an economy is growing. These funds may be useful for countries that are dependent on export commodities that face wide fluctuations in global prices. The objective here is to minimise the pro-cyclical bias of fiscal policy in order to free up resources needed to sustain social and investment policies<sup>11</sup>.

In countries where governments provide little social protection, counter cyclical policies can serve this function by lowering the probabilities of job losses and income declines. In general, however, counter cyclical policies should be accompanied by social protection mechanisms. Otherwise, should a recession occur, individuals will bear the full brunt as they join the ranks of the unemployed, with few options for assistance. The lack of social protection or insurance often forces low-income people to draw upon informal mechanisms of support<sup>12</sup>, such as selling assets that they would ordinarily need to be economically productive. This kind of practice can serve as a temporary survival tactic, but it may deepen the poverty of individuals over the long term and provide no net benefit to the economy as a whole.

Women with few skills and assets may find it even harder to bounce back. Social protection gaps combined with inadequate public services oblige women to take on additional care-giving responsibilities, which further limit their options for paid employment or other income-generating activities.

### **Adopt progressive tax regimes**

To support adequate, efficient and equitable public investments, developing countries need to diversify their tax bases and strengthen their tax administration. Taxes remain the main source of domestic public resources, but developing countries currently lose billions of dollars a year to tax systems that do not reach the wealthy, tax exemptions for foreign investors, accounting practices that allow transnational corporations to favour countries with low taxes, capital flight to tax havens and declining tariffs due to trade liberalisation.

Progressive tax regimes can optimise revenues, while easing the income disparities that have marked growth in many countries. They need to have effective and fair collection mechanisms, and account for varied impacts on different social groups, including women. They should be situated within the broader economic context. Many countries, for example, have attempted to attract capital through tax holidays and the poor implementation of labour laws, on the expectation that this will generate employment. But the jobs that result are often of poor quality and limited duration because of mobile foreign employers, as women in the garment industry can attest. In these cases, tax losses may be difficult to rationalise.

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11 Spiegel, Shari (2006)

12 Commission on Human Security (2003)

Trade liberalisation has had a negative impact on tax revenues, as the International Monetary Fund estimates that taxes have only be able to make up for 30 percent of the revenues lost from declines in trade tariffs<sup>13</sup>. Many low-income countries were heavily dependent on trade taxes, which are relatively easy to collect. To reduce the shortfall, some have turned to instruments such as the value-added tax (VAT). To the extent that women and men have variable consumption patterns, the VAT will affect them differently, often to the detriment of household expenditure needs. Tax breaks or subsidies may be needed for essential goods and services. In this context, a gender-sensitive tax regime encourages redistribution from holders of financial assets when applying capital gains taxes and from rentiers when taxing gains from natural resource exploitation. Redistribution just as important an attribute even when, in both industries, the differential holdings of assets and rents between men and women might actually be significant.

## Make foreign aid flows more predictable

Compared to private capital flows and trade, Official Development Assistance (ODA) is now a smaller presence on the financing landscape, topping just over \$100 billion per year. But in poorer countries, aid can constitute half the national budget. It remains essential to achieving the MDGs as well as the other internationally agreed commitments made at UN conferences. The current sum also falls short of internationally agreed targets, and is not predicted to be adequate for the full realisation of the MDGs.

Gender equality programmes are funded by both bilateral and multilateral donor agencies. A study by the Organisation for Economic Co-operation and Development (OECD), however, found that two-thirds of bilateral aid for gender equality programmes by sector was devoted to health and education. Less attention has been paid to infrastructure, agriculture and finance, although these are critical for women's economic advancement.

Aid flows are generally considered to be among the most volatile of macroeconomic variables. In developing countries heavily dependent on ODA, this threatens the continuity of development interventions, particularly for complex and long-term goals such as gender equality. Indicator 7 adopted in the 2005 Paris declaration on aid effectiveness is a proxy for the predictability of aid flows<sup>14</sup>. Studies are needed to understand how this indicator may affect steps to achieve gender equality when applied to aid-supported programmes and projects, as well as to answer questions regarding declining levels of aid to work supporting gender equality.

With the shift to new aid modalities, including harmonisation of donor funds through direct support to national budgets, mechanisms are required at the national level to ensure that sufficient resources flow to gender equality programmes, and that accountability for results can be upheld. Particular concerns have been raised over sectoral support, where links to gender may not be clearly articulated. The focus on providing support primarily through governments presents a risk of reduced access to individual grants for women's groups, particularly those who question discriminatory national policies. More importantly, the aid effectiveness agenda needs to be more clear on how it will

13 Spiegel (2006)

14 Percent of aid disbursements released according to agreed schedules in annual or multi-year frameworks. The target for 2010 is to halve the proportion of aid not disbursed within the fiscal year for which it was scheduled.

contribute to development effectiveness apart from efficiency considerations attached to the reduction of transactions cost.

## **Align trade liberalisation policy with domestic productive capacity**

World merchandise exports passed \$11 trillion in 2005, having doubled since 1995. The share of trade of developing countries reached an all-time record, including through flourishing South-South trade relationships. Poorer countries, however, have not been able to grasp the benefits of trade liberalisation. The share of global trade for the 50 poorest countries began declining in 1960, and has hovered at around only 0.5 percent since 1995.

Unfettered trade liberalisation has clearly not been a blanket benefit to all economies. Some new approaches now emphasise a flexible mix of policies individually tailored to achieve national development targets<sup>15</sup>. Policy options might include the identification of specific industries for support; the encouragement of foreign direct investment that supports development targets; some amount of trade protection through reasonable tariffs and related measures that help domestic producers develop their capacities; and the upgrading of skills and technology so that a country's competitive advantage is not based solely on low-cost labour and other inputs, but also on technological and human development<sup>16</sup>.

Trade affects gender equality through employment and income opportunities or losses, as well as shifts in the costs of basic goods and services. There is as yet no mechanism to monitor the extent to which current trade policies have worked to reduce gender inequalities, but trade liberalisation, which is normally accompanied by lower revenue collection from tariffs, can slow investments in public services and shift tax burdens towards labour in ways that limit women's productivity. Some industries favoured by trade improve women's employment prospects as a general principle, but others, including some high-tech sectors that offer better wages, may not benefit women because of persistent gender biases that reduce women's chances of cultivating appropriate skills. This is seen in the widely criticised practice of export-oriented industries of regarding women as low-cost inputs into production. Gender equality is not promoted when an industrialisation strategy relies on women as starter workers to establish competitive positions in global markets only to be replaced by men when industries move into higher productivity activities with greater capital intensity.

As countries grow in their ability to integrate into the global economy, the international environment must support their newly emerging capacities. All international trade agreements should make allowances for countries to address varying national development circumstances and, hence, apply special and differential treatment and less-than-full reciprocity as principles for negotiations. Aid for trade should help strengthen productive capacities and mitigate adjustment costs. It should not become a tool to impose new policy conditionalities, as would be the case if the integrated framework for least developed countries promotes the mainstreaming of trade liberalisation in poverty reduction strategies.

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15 UNCTAD (2006)

16 Lall, Sanjaya (2003; 2001), UNCTAD (2007)

## Expand policy space

In order to pursue the above recommendations, an expanded policy space is essential<sup>17</sup>. These recommendations contribute to the enhancement of domestic resource mobilisation that forms the core of financial policies in national development strategies that are committed to the reduction of inequalities. Reduced reliance on external sources of finance strengthens the democratic ownership of development policies. More so, if women and other excluded groups engage strongly with formulation and implementation of financing policies.

An expanded policy space provides governments with room to initiate public action for financing gender equality and achieving the millennium development goals. Expanded policy space also provides gender equality advocates with the latitude to use innovative policy approaches that ensure that responsibilities for social provisioning and care are shared more equally between women and men, between the public and private sectors, and between states and markets. An expanded policy space is an inclusive policy space.

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<sup>17</sup> UNCTAD (2007)

# Budgeting Human Rights: What do we mean?

Unfortunately, budget headings that benefit the most disadvantaged and marginalised groups are often allocated the fewest resources. Other budget lines - such as debt repayment, public-sector wage bills and military expenditures - tend to have prior claims on expenditure than social issues such as health, education, water and housing. To date, there have been only a few practical examples of 'budgeting' human rights. However, we - a prodev agencies - consider it to be fundamental to the realisation of human rights for all. We believe it is no longer inconceivable to organise and equip budgets along a human rights perspective, or to look at human rights from a macro-economic perspective. We should experiment and be proactive.

## What is 'Budgeting Human Rights'?

Simply put: to include perspectives and costs of realising human rights in the national budget cycle, i.e. in strategy development; planning and budget allocation; spending and auditing. Human rights also need to be included in national policy development. By ratifying the *International Covenant on Economic, Social and Cultural Rights (ICESCR 1966)*, 153 countries have committed themselves to progressively fulfilling economic, social and cultural rights. Some 152 are party to the *International Covenant that sets out obligations on Civil and Political Rights (ICCPR 1966)*.

A government's determination to *fulfil* its human rights obligations should be reflected in its national budget.<sup>1</sup> But, while most national budgets include allocations for health-care and education, budgets are yet to be conceived as part of the fulfilment of governments' obligations regarding citizens'

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1 International Budget Project; Dignity counts (2004), A guide to using budget analysis to advance Human Rights.

human rights. Human rights advocates therefore need to develop tools to increase pressure for the provision of a core allocation of resources to guarantee that (at least) core human rights obligations are met. Human rights activists, development workers and economists should work together on this interface. They must lobby for policies and budgets that are planned in accordance with human rights obligations. This practical advocacy approach must be directed towards budgeting authorities at all levels as well as other institutions that have influence at local, national and international level (e.g. UN-organisations, World Bank and IMF).

### Box 1: Human Rights Treaties and State Obligations

The main human rights instruments:

- Universal declaration of Human Rights (UDHR), 1948
- International Covenant on Civil and Political Rights (ICCPR) and its two Optional Protocols, 1966
- International Covenant on Economic Social and Cultural Rights (ICESCR), 1966
- Convention on the Elimination of All forms of Racial Discrimination (CERD), 1966
- Convention on the Elimination of All forms of Discrimination against Women (CEDAW), 1979; and the Optional Protocol to the Convention, 1999
- Convention against Torture and Other Forms of Cruel, Inhuman or Degrading Treatment or Punishment, 1984
- Convention of the Rights of the Child (CRC), 1989; and its two Optional Protocols
- Convention on the Protection of the Rights of All Migrant Workers and Their Families, 1990

**convention:**

*Agreement between states related to matters affecting all of them*

**optional protocol:**

Optional document or treaty related to an existing treaty or other legal document

## Marrying human rights and economics

Development agencies increasingly aim to promote a human-rights-based approach to development. But ‘human rights’ and ‘economics’ are treated as separate areas. Nobel Prize winner Professor Amartya Sen is one of the few economists who have worked on the interface of rights, ethics and economics. Another economist who actively works on this interface is Andy McKay, Professor of Economics and International Development University of Bath.

According to McKay, growth is not an end in itself;

*‘It is the type of growth that matters; who benefits? What is the distributional pattern and is it sustainable or is it just a temporary boom?... Growth that achieves a significant expansion of freedoms for the poor must be what we are thinking about.’<sup>2</sup>*

<sup>2</sup> Andy McKay (2006) in: Human Rights and Poverty Reduction: Realities, Controversies and Strategies (ODI-meetings series -nr 3: Reconciling Rights, Growth and Inequality)

The questions McKay raises are important for both human rights activists and economists. Another important - and hotly debated - question relates to external debt, and the extent to which this impedes the realisation of economic, social and cultural rights in highly indebted poor countries. A finance minister of a poor and over-indebted country might even commit human rights violations by remitting debt services while citizens go hungry. Costing and budgeting will also help in the factoring-in of human rights obligations in national processes aimed at developing the poverty reduction strategy and achieving the millennium development goals.

### Core components of Human Rights

A critical step in costing human rights is defining what the core contents of rights are, extracting them from relevant human rights conventions, covenants, optional protocols, treaties and general reporting guidelines. This presents a challenge in itself, and it is further complicated by the overlap between different treaties. When a government ratifies an international human rights treaty, that government assumes three types of obligations. These obligations are known as the obligation *to respect* (i.e. refrain from any action that would interfere with citizens' enjoyment of their rights), *to protect* (i.e. to take action to prevent violations of human rights by others), and *to fulfil* (i.e. to take action to achieve the full realisation of rights). Still, core components relating to a particular right (e.g. education) or target group (e.g. refugees) can be identified and brought together within a common framework, paving the way to costing and budgeting.

### Human Rights treaties and the Millennium Development Goals

Human rights principles guide programming in all sectors, including all development cooperation directed towards the achievement of the MDGs and the Millennium Declaration. Though both the MDGs and the Millennium Declaration have strong affiliations with the human rights framework, there are important distinctions between human rights conventions and such inter-national agreements. The Millennium Declaration and the MDGs do not for instance, create the basis for international law, nor do they possess the systematic character of human rights laws and thinking, or foresee inter linkages between different components systematically. It is said that the MDGs are more operational and lend themselves better to implementation than human rights. They can be seen as a benchmark for the progressive implementation of ESC-rights. Costing the MDGs 'estimating their price-tag' is an important step towards gaining insight into the financial needs required to realise the MDGs. The lessons learned from this process can be very useful in the process of costing human rights (see: Annex A, MDG-costing in Zambia).

#### **Box 2: Defining a Human-rights-based Approach to Development**

Within the United Nations (UN) system, there is a general understanding of the implications of a human-rights-based approach to development cooperation and development programming:

- All programmes of development cooperation policies and technical assistance should further the realisation of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments.

- Human rights standards contained in, and principles derived from, the Universal Declaration of Human-Rights and other international human rights instruments guide all development cooperation and programming in all sectors and in all phases of the programming process.
- Development cooperation contributes to the development of the capacities of 'duty-bearers' to meet their obligations and/or of 'rights-holders' to claim their rights.

**Source:** UN Common Understanding of a human rights-based approach to development cooperation

## The potential gains and challenges of budgeting Human Rights

### Potential gains from budgeting Human Rights

#### *a. Setting priorities and planning*

Budgeting would favor the poor because of the nature of human rights, shifting priority, for example, to allocations for universal primary education rather than elite academic schools. Meeting human rights obligations requires careful planning, including financial planning. Budgeting human rights has great potential in holding states and other actors accountable for the progressive realisation of rights and providing an overview of what it would cost to fulfil them.

#### *b. Work on 'frontloading'*

The question to be addressed here is: how much must be allocated, say, to primary education in order to meet human rights criteria, rather than: Has the right to primary education been progressively realised? Shifting from human rights budget-analysis that is based on hindsight to a 'frontloading' approach is a major new element of the budgeting exercise and presents a challenge for many human rights and development organisations, grassroots movements and donors.

The policy development process would have to be based on prioritising fulfilment of the needs of particularly disadvantaged groups. Financial estimates make this effort concrete and measurable. Considerable work has already been done on developing tools and strategies and we should use existing resources, adapt tools, and make cross-references to ensure consistency in current work. Human rights actors and development organisations need to engage in proactive costing and budgeting, with the aim to use their projections for advocacy at national and international levels.

#### *c. Human Rights Law as powerful tool*

Being an existing body of accepted international standards based on the ratification by states, Human Rights Law provides a comprehensive framework for the legal protection of human dignity and equality, as expressed in the economic, social and cultural aspects (i.e. those elements that are most directly impacted by illegitimate external debt and other forms of economic injustice). It also provides powerful political and moral tools for human rights activism, campaigns and advocacy.



### *d. Budget analysis and creating awareness of other rights*

A side effect of many of these costing techniques, including budget analysis, is that they trigger discussion of other rights – particularly so called *process rights*; the right to information, participation and expression. It is desirable that wider awareness of government obligations disseminates and expertise in claiming rights increases.

#### **Box 3: Claimants, Courts and Human Rights**

Human rights create entitlements for people vis-à-vis their governments. These can be legally claimed. In the case of violations of civil and political rights the key reference point for advocacy work is their justiciability before the courts. The economic, social and cultural human rights have a somewhat weaker point of reference for advocacy work, i.e. the resolve of the signatory states to cooperate to progressively respect, protect and fulfill the rights nationally as well as through international cooperation. However, this is useful in holding governments and multilateral institutions like the world bank or the international monetary fund accountable. A rights-based development framework can therefore be an effective tool to demand policy changes through advocacy or litigation. The justiciability of the ratified covenants as such are key. Budget analysis can support this process; the findings derived may be used to lobby for a human-rights-based approach to policy-making and budgeting.

## **Challenges in budgeting Human Rights**

### *a. Challenges in defining and operationalising human rights*

The concept of human rights is complex. It takes an effort to translate abstract notions of human rights into something as ‘concrete’ as a budget, particularly since these rights are indivisible and interrelated. The development of indicators can help resolve these difficulties, but the process of indicator development (and measurement) poses its own challenges.

### *b. Developing and measuring meaningful human-rights-based indicators*

The development of indicators to measure human rights ‘compliance’ is an important issue. However, not all human rights can be quantified; financial allocations for the realisation of a specific element of a human right (an indicator) may not always give a clear idea of how well they satisfy the provision of the right or how much they directly benefit people (see chapter 4, Step 2: Indicators).

### *c. Collecting and reporting relevant data*

Any form of budget analysis requires the collection of data. There is a range of barriers and challenges at this level, primarily relating to access, availability, quality, and level of disaggregation of data. Information on the budget is not always easily accessible; governments use different budgets for different purposes (‘operating budgets’ and ‘capital budgets’). The formats that are used are often difficult to understand, e.g. it is hard to determine what the priorities are and how exactly resources are distributed.

Even when information on allocation is available, some departments may have problems designing and/or implementing programmes, disbursements may be delayed. A ministry of finance may make cuts in spending because of shortfalls in revenue or unexpectedly high spending in other departments<sup>3</sup>.

And all of us know that it is not always about money; combining policies, cooperation and making more effective use of the available funds can also lead to better impact and results.

## **Analysis, examples, and a sequence of steps to budgeting Human Rights**

The objective of the different approaches is to get the costs of the implementation of human rights included in the national budget cycle. This could be for sectoral components, such as maternal health or youth services, or for whole sectors, such as health, education or development. As was highlighted in the previous sections, there are different ways to achieve this inclusion, at different stages in the budget process. The costing exercise requires expertise and sound judgment to apply specific human rights text resources. And, not only economic, social and cultural rights can be costed, but also the violation of e.g. the civil and political human rights.

### **The sequence of steps to be taken**

From the few examples elaborated in recent years, the earlier mentioned international workshop in Geneva in 2006 on *'budgeting the rights'* identified a sequence of steps that need to be taken:

1. A budget element of interest is analysed according to human rights criteria and found deficient. An alternative budget is prepared.
2. To do this, human rights text resources are consulted: covenants, special comments and general reporting guidelines, optional protocols and available indicators. They inform about specified safeguards, for instance as shown in the illustrative indicators on the right to food or health.
3. Now, data are collected and cost calculations carried out.
4. The new budget allocation is proposed to replace the existing one.
5. Advocacy strategies and campaigns are developed and implemented based on the divergence between the official allocation and amounts required to fulfill the specific human rights obligation.

### **Preparatory activities to consider before beginning the costing and budgeting exercise**

Firstly, it is necessary to establish which conventions and optional protocols were signed and ratified by the country in question. Based on the different conventions, the *'minimum core content'* of the

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<sup>3</sup> Budgeting for Women's Rights: Monitoring Governments Budgets for compliance with CEDAW, Diana Elson, Unifem, May 2006.

economic, social and cultural human rights can be identified. Some human rights defenders are refusing this term since it can be seen as reducing a broader understanding of ‘adequate housing’ or ‘adequate food’ to the absolute minimum. At this point clarity of ones perspective is important since it determines a radical or a more tempered approach to change. Rights budgeting however, lend it to both.

### Box 4: Core content of the Right to Food

The core minimum content of the right to food, as stated in Art. 11 (2) ICESCR, is the fundamental human right to be free from hunger. According to General Comment 12, the right to be free from hunger is an immediate obligation to the member states under the ICESCR. Around this core lies the right to adequate food, as stated in Art. 11 (1) ICESCR, which goes further than just being free from hunger.



Given the binding nature of international conventions, it is necessary to speak about ‘*core obligations*’ that states have assumed (see e.g. box 4). It is also more precise to talk about core obligations instead of core content. Core obligations relate to what can be reasonably expected from governments immediately. This is easier to define and measure than to discuss the content of the minimum food or housing requirements, which can only be expected to be met in a process of progressive implementation. The concept of ‘*progressive realisation*’ implies that states should use the ‘*maximum of their available resources*’ for the realisation of the rights.

Key principles of non-discrimination, equality, participation, transparency and accountability should be included in the argumentation<sup>4</sup> Another entry-point for arguing for the strengthening of human rights may be the national constitution and national laws.

Once these principles and safeguards are considered, the analysis and budgeting processes can begin. The following steps are useful:

#### ***Step 1: A budget (element of interest) is analysed***

One can start with an analysis of the overall budget and look at the allocation and spending between different budget lines, such as Health, Education and Defence. One could ask if *maximum available resources* are made available and used. Another option is to focus on *specific budget lines*, e.g. those that would comprise the right to food, and monitor the policy decisions and allocations related to it.

These cost calculations can be difficult because governments often have several policy alternatives, which all need to be costed in order to compare their budget implications. Sometimes it is also necessary to cost inaction so as to demonstrate that this kind of policy choice will also have future budget impacts.

<sup>4</sup> Human Rights, Health and Poverty Reduction Strategies, Health and Human Rights Publication Series, No.5, WHO, April 2005.

A human rights based approach advocates that any strategy should start by addressing the most serious, the most persistent and chronic, and the most widespread violations and neglect of human rights. Assessment based on the treaty obligations of a state is your first step. However, other political commitments can also be very useful. Some states have signed or committed to other agreements which provide ‘hard figures’ that can be used. Lobbyists can examine to what extent governments are meeting pledges made in these agreements while researching human rights fulfillment in the country in question. Examples of important political commitments in relation to the fulfillment of economic, social and cultural human rights are the MDG’s, the Abuja Declaration (Organisation of African Unity (2001); 15 percent of public spending to Health), in 2003 the AU agreed in Maputo to use 10 percent of public spending for rural development, and the 20/20 initiative (UN, 1995 Copenhagen; 20 percent of their public spending and donor contributions to basic social services).

### *Step 2: Use human rights resources: indicators*

Essential to the process of budgeting rights is the use and if unavailable the independent conception of specific indicators that explicitly reflect the core obligation of human rights. Indicators should be SMART (specific, measurable, attainable, realistic and timely).

#### **Box 5: Core Concepts**

##### **Core content (of a right) / Minimum core content**

The meaning of a right; what it guarantees. Controversial concepts adopted by the CESCR to assist in monitoring the implementation of the ICESCR. The core content or a right refers to the entitlement that makes up the right. Minimum respect core content has been described as the non-negotiable foundation of a right to which all individuals, in all contexts, under all circumstances, are entitled.

##### **Progressive realisation**

The degree to which states can develop the protection of human rights over time through use of their available resources (key provision of article 2 of the ICESCR related to a government’s obligations with to economic, social and cultural human-rights). Economic, social and cultural human rights-can be achieved progressively, however they can no reduce the current state of realisation: no backward steps may be taken.

##### **Maximum available resources**

This is a key provision of article 2 of the ICESCR-related to governments’ obligations with respect to economic, social and cultural human rights. Governments must use the maximum of available-resources to meet their economic, social and cultural human rights obligations. The availability of resources refers to the resources of society and not only the resources within the current budget. This must be assessed on a case-by-case basis and the state bears the burden of proving it is using all available resources when this is in dispute. The CESCR has further circumscribed this provision by satisfaction of ‘minimum core obligations’.

##### **Minimum core obligation**

Defined in general comment No. 3 as: state parties have ‘a minimum core obligation to ensure the satisfaction of, at the very least, minimum essential level’. ‘Obligation’ centres on some institution or person responsible for taking action to ensure this minimum is met.

##### **Non-discrimination**

The human rights principle that no one can be denied freedom and opportunity to exercise their human rights on the basis of specific characteristics, such as race, religion, gender, nationality, birth, or -other status.

**Source:** adapted from Dignity Counts, International Budget Project, 2004

Depending on what one intends to study or monitor, one needs to choose the right type of indicator, i.e. structural, process, outcome or illustrative indicators (see box 6). One can also focus, for example, on specific disadvantaged groups when studying the implementation of measures towards achieving a certain right.

Finally, there should be flexibility regarding indicators, allowing space for individual countries to adapt them to their contexts. Recently, the UN Office of the High Commissioner of Human Rights (OHCHR) developed a list of illustrative indicators for four specific rights:

- Right to Life (ICCPR, art. 6)
- Right to judicial review of detention (Right to Liberty, ICCPR, art. 9)
- Right to adequate food (ICESCR, art. 11) (see box 8)
- Right to enjoyment of the highest attainable standards of physical and mental health (ICESCR, art. 12)

### ***Step 3: Collect data and prepare a cost calculation***

In many countries, access to information is difficult. Statistics are lacking or dated, and sources of data providing conflicting and unreliable information. Often, information about budgetary policy debates is considered the preserve of reticent or secretive government officials. To complicate matters still further, disaggregated data –for instance about specific regions, minorities, age or sex groupings, which is necessary to identify the most dis-advantaged groups, often is not available.

Unfortunately, there are no examples where the costs of implementation of economic, social and cultural human rights were fully calculated, probably because of the complexity of such an endeavour. The use of economic, social and cultural human rights as benchmarks does, however, allow a first example of the positive use of economic, social and cultural human rights in budget-analyses. MDG-costing is in development and methodologies are being explored (see the example of Zambia in Annex A). These can be of great help in defining cost calculation methodologies. Human rights arguments can make a difference, but activists have to learn the necessary financial and economic language, in order to develop overviews of what their recommendations will cost.

### ***Step 4: The existing budget allocation is compared with the proposed human-rights-qualified budget component***

If the allocation is much higher than the one it is meant to replace, lobbyists should identify progressive steps towards its realisation, and point out other budget allocations that are too high or even shrouded or hidden from the public eye.

### ***Step 5: Lobby and advocacy***

Findings resulting from budget analysis and monitoring can serve as powerful lobbying tools even *during* the process of gathering information. Once the information is collected, analysed and presented, it becomes necessary to form strategic alliances with other stakeholders. In each

government ministry there are ‘gate keepers’ and ‘gate openers’; it’s important to identify them and start a dialogue.

The language of budgets is the language of power; it is the ministry of finance that sets the agenda. We should learn this language. Complexity shouldn’t be a deterrent<sup>5</sup>. We have to fight for the recognition of our perspective. Costing provides a tremendously powerful political tool and offers challenges to the distribution logic that currently prevails.

### Box 6: Types of indicators

#### Structural Indicators

Reflect the ratification/adoption of legal instruments and existence of basic institutional mechanisms deemed necessary for facilitating realisation of the concerned human rights.

#### Process Indicators

Establish milestones connected with state policy instruments to add up to outcomes that can be more directly related to realisation of rights, in order to create accountability and develop the notion of progressive realisation. Process indicators cover also the quality of the process itself, such as transparency and participation.

#### Outcome Indicators

Register attainments, individual and collective, that reflect the status of realisation of the human rights in a given context.

#### Illustrative Indicators

Illustrate the general reporting guidelines that each party to the international treaties is expected to provide.

**Source:** Turku Experts Meeting on HR Indicators, March 2005 and HRI/MC2006/7

### Box 7: The right to education; defining core obligations through the 4 A’s

Education is recognised as a fundamental right. Under human rights standards, governments are obliged to guarantee that education is:

- Available (i.e. free and compulsory for all children)
- Accessible (in particular, free from discrimination)
- Acceptable (focusing on the quality of education)
- Adaptable (i.e. education should respond and adapt to the best interests of each child).

*The ‘4-A approach’ was first outlined by the Committee on Economic, Social and Cultural Rights in its General Comment No. 13 on the Right to Education.*

**Source:** UNESCO (2004) *Manual on Rights Based Education*

<sup>5</sup> Helena Hofbauer, IBP / Fundar

<b>Box 8: Indicators List of illustrative indicators on the right to adequate food (ICESCR, art. 11)</b>				
	Nutrition	Food safety and consumer protection	Food availability	Food accessibility
Structural indicators	<ul style="list-style-type: none"> <li>• International human rights instruments, relevant to the right to adequate food, ratified by the state</li> <li>• Period of application and coverage of the right to adequate food in supreme law/ constitution/ bill of rights</li> <li>• Period of application and coverage of domestic laws relevant to the implementation of the right to adequate food</li> <li>• Number of registered civil society organisations involved in the promotion and protection of the right to adequate food</li> </ul>			
	<ul style="list-style-type: none"> <li>• Period of application and coverage of national policy statement on nutrition and nutrition adequacy norms</li> </ul>	<ul style="list-style-type: none"> <li>• Period of application and coverage of national policy statement on food safety and consumer protection</li> <li>• Number of registered NGOs working in the area of food safety and consumer protection</li> </ul>	<ul style="list-style-type: none"> <li>• Period of application and coverage of national policy statement on agricultural production and food availability</li> <li>• Period of application and coverage of national policy statement on drought, crop failure and disaster management</li> </ul>	
Process indicators	<ul style="list-style-type: none"> <li>• Number of complaints on the right to adequate food received, investigated and adjudicated by the national human rights institution/ human rights ombudsperson/ specialised institution and other administrative mechanisms (created to protect the interests of specific population groups) in the specified period</li> <li>• Net official development assistance for food security received/ provided as proportion of public expenditure on food security / gross national income</li> </ul>			
	<ul style="list-style-type: none"> <li>• Proportion of population below minimum level of dietary energy consumption/ proportion of undernourished population*</li> <li>• Proportion of vulnerable population (e.g. children, pregnant women, aged persons) covered under public nutrition supplement programmes</li> <li>• Coverage of targeted population under public programmes on nutrition education and awareness</li> <li>• Proportion of population with sustainable access to an improved water source*</li> </ul>	<ul style="list-style-type: none"> <li>• The disposal rate/ average time to adjudicate a case registered in a consumer court</li> <li>• Share of public social sector budget spent on food safety and consumer protection advocacy, education, research and implementation of the law and regulations</li> <li>• Proportion of food-producing and distributing establishments inspected for food quality standards and/ or frequency of inspections</li> <li>• Number of cases filed/ decided under food safety and consumer protection law</li> </ul>	<ul style="list-style-type: none"> <li>• Proportion of female-headed households/ other vulnerable groups with legal title to agriculture land</li> <li>• Arable irrigated land per person</li> <li>• Proportion of farmers availing extension services</li> <li>• Share of public budget spent on strengthening domestic agricultural production (e.g. agri-extension, irrigation, credit, marketing)</li> <li>• Per capita availability sourced through domestic production, import and food aid</li> <li>• Cereal import dependency ratio</li> </ul>	<ul style="list-style-type: none"> <li>• Share of household consumption of major food items for vulnerable population met through publicly assisted programmes</li> <li>• Unemployment rate/ average wage rate of vulnerable segments of labour force</li> <li>• Incidence of poverty in the country</li> <li>• Work participation rates by gender and other vulnerable groups</li> <li>• Estimate of access of women and girl child to adequate food within household</li> </ul>

Outcome indicators	<ul style="list-style-type: none"> <li>• Proportion of underweight children below age five*</li> <li>• Proportion of adults with body mass index (BMI) &lt; 18.5</li> </ul>	<ul style="list-style-type: none"> <li>• Number of recorded deaths/ incidence of food poisoning related to adulterated food</li> </ul>	<ul style="list-style-type: none"> <li>• Per capita availability of major food items of local consumption</li> </ul>	<ul style="list-style-type: none"> <li>• Proportion of population below minimum level of dietary energy consumption / proportion of under-nourished population)*</li> <li>** • Average household expenditure on food for the bottom three deciles of population/ vulnerable groups</li> </ul>
<p>* MDG indicators; ** or incidence of hunger/ number of meals eaten in a day Source: <i>HRI/MC2006/7, 11.5.2006 Report on Indicators for Monitoring Compliance with International Human Rights Instruments.</i></p>				

## Who is committed?

### Civil Society

First of all, there are many grassroot movements, NGOs and civil society organisations working in the field of bud-get analysis for human development and human rights. Civil Society in Brazil, South Africa and other countries are cases in point. As stakeholders they must be involved in the elaboration of concrete cases in analysis, costing and budgeting and advocacy strategy building. There are others who work in human rights education, or focus on analysing the human rights situation, legal action. Some collect data from national institutions others monitor and analyse and formulate indicators. In some countries civil society actors have started dialogues with the ‘duty bearers’ and elaborated ‘parallel’ reports for submission to the international bodies that monitor state implementation of each of the main treaties. Civil society actors, among them many Churches, often engage in national PRSP-processes, MDG-reports, or are involved in the budget-cycle-process. They proactively work on the formulation of alternatives that support the realisation of human rights. International NGOs support such activities; some even specialised in them, for example, the International Budget Project, Equal-in-rights, Just Advocates, Realizing Rights and FIAN International (Food First Information and Action Network). Traditional human rights organisations such as Amnesty International and Human Rights Watch are increasingly focusing on economic, social and cultural human rights. More cooperation with development organisations is necessary. And while Churches historically have been critical of human rights, today churches in north and south have become committed to carrying out, support or promote many of these initiatives.

### National and Local Governments

By signing the treaties and millennium declaration, states have affirmed their commitment to respect, protect and fulfil human rights. They have the primary obligation to ensure the fulfilment of all human rights of all people on their territory. A country assumes the obligation to periodically



submit reports to the treaty bodies on the measures it has taken to ensure the enjoyment of the rights provided in the treaties. In addition to the development of (long term) strategies, policies and budgets, states should provide a legal framework and juridical resource mechanism (e.g. ombudsman and national rapporteurs). Budget processes should be transparent, and participatory mechanisms that extend to local levels should be implemented. A rights-based assessment and framework should not stop at looking into the obligations and responsibilities of national governments. It should also assess the potential impact of policy measures in one country on persons living in another country, the so-called *extraterritorial* obligations. A state should, firstly, not violate rights of persons in other countries either directly through its own policy measures, or indirectly through policy decisions of intergovernmental organisations which it can influence. States should also check that their nationals working abroad do not contribute to human rights violations.

### **Donors and International Organisations**

Many bilateral and multilateral donors have adopted rights-based principles in their policies. Accountability to various stakeholders is an important issue, as is predictability of resource-flows, emphasis on participatory processes, and the inclusion of human rights-based principles in development programmes. FAO and WHO have, for example, worked actively on the development of indicators relating to food and human rights and health and poverty reduction strategies. Stakeholders on the donor's side also have obligations on the basis of the entitlements they create by setting out to provide services to people, and due to their influence on decision-making processes and resources. In the development debate, extraterritorial obligations are normally discussed as a coherence problem that needs to be solved to create a more development-friendly international environment.

### **UN system**

The UN system has a number of bodies and agencies that are variously mandated to protect and promote human rights. These include:

#### ***a. Treaty Bodies***

For each of the principal treaties, a monitoring mechanism has been established e.g. the Human Rights Committee (HRC), the Committee on Economic, Social and Cultural Rights (CESCR) and the Committee on the Elimination of Racial Discrimination (CERD). These involve committees of independent experts that monitor state implementation of the provisions of the treaty in question. Each state party must submit a report regularly. The committee members examine the official report, but also accept 'parallel reports' from civil society sources, so as to balance their examination of the situation in each country. In some cases, individuals can also submit a claim to a treaty body, should they consider themselves a victim of a violation of the international human rights treaty<sup>6</sup>

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<sup>6</sup> OCHCR folder 'Treaty Bodies'. See for more details: [www.ohchr.org/english/about/publications/docs/fs7.htm#introduction](http://www.ohchr.org/english/about/publications/docs/fs7.htm#introduction).

### ***b. UN Human Rights Council***

The UN Human Rights Council (formerly the Commission on Human Rights) is the UN's principal inter-governmental policy-making human rights body. It is responsible for tasks such as investigating human rights violations; recommending new human rights standards (e.g. Disability convention); monitoring human rights standards; and providing advisory and technical services. It appoints special rapporteurs or independent experts to investigate and promote the implementation of certain rights issues, such as e.g. the right to development, several economic, social and cultural human rights such as education or food, or the effects of economic reform policies and foreign debt on Human Rights. The special rapporteurs regularly visit countries and report their findings to the council and the general assembly.

### ***c. Office of the United Nations High Commissioner for Human Rights (OHCHR)***

As part of the UN-system, the OHCHR plays an important role in promoting and monitoring the implementation of human rights. The High Commissioner is the principal UN official with responsibility for human rights. The Commissioner is mandated to promote and protect the enjoyment and full realisation, by all people, of all rights established in the UN Charter and in international law and treaties. The OHCHR is very active in the fields of technical support and research and development. This office works on the relationship between human rights and MDGs, especially their role in, and contribution to, poverty reduction strategy processes.

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**PART SIXTEEN**

**JUDICIARY IN INDIA**

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# Little Budget for Judiciary

*Justice RC Lahoti\**

Working under considerable handicaps such as inadequate funds, budgetary allocations for law and justice not being part of plan expenditure, lack of resources, shortage of staff and infrastructure, the Indian judiciary can still claim a better standing with the other wings of governance in performance. When one considers the immensity of our country, the diversity of its conditions, its huge population and the range of cases and volume of litigation in our courts throughout the country, the Indian judiciary has carried a phenomenal burden which perhaps no other judiciary in the world has had to shoulder. In this task, we must acknowledge the exacting burden the subordinate judiciary—the foot soldiers of our cavalcade—has carried. The subordinate courts have unobtrusively and with small recognition rendered justice to the common man in villages and towns. Too often we tend to forget their invaluable contribution to our judicial system. At times we have unjustly condemned them as a whole for failings of a few of their members; failings which are attributable to a few individuals only, not to the system and certainly not to the members as a class...

Increasing institution of cases, mounting arrears, accumulating congestion in courts and inevitable law's delays have given rise not to a body of scientific and rational blueprints in terms of institutional organisation and procedural methods or in terms of assessments of judicial manpower requirements, but to a spate of alarm signals and dire shibboleths. If there are more and more cases in courts, that is because we have a population explosion, we have a more complex and friction-prone society, our dispute resolution and conciliation system are bereft of efficacy, we have increasingly greater awareness of rights, and perhaps because we have more injustice and more arbitrariness in our midst. The governments are under an obligation to provide an adequate machinery for justice, to appoint more judges and to give them better emoluments and facilities, to build more courthouses, to enact better laws, to devise better dispute resolution procedures, and to administer more effectively and equitably, rather than to blame lawyers and judges for the increase and proliferation of litigation.

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\* Speech on Law Day delivered by Chief Justice of India, Shri R.C. Lahoti on 26 November 2004

courts in India cannot apply a mechanical-statistical razor blade or wave a magic wand to wipe out the enormous pendency of arrears. Nor can the courts afford to turn a blind eye or a deaf ear to the rank injustices and incongruities of administration merely because they have already too much on their hands. If the courts begin to do that systematically, they might endanger the confidence and credibility they have come to enjoy. I might venture the view that we will have a lot more litigation in future when some of the long-suffering sections of our people are made more aware of their rights by movements of legal literacy and are enabled and equipped by legal aid and advice to ask for their day in court. Shall we then tell them that we are too preoccupied to take their briefs or to listen to them and their generation?"...

### Envisioning justice in the 21st century<sup>1</sup>

...The above statistics have to be appreciated in the light of the fact that the Law Commission in its 120th Report (1987) stated that the number of judges per million population in India was 10.5 (which is now said to have gone up to between 12 and 13 per million) which is the lowest in the world. Recently in *All India Judges' Assn. case* the Supreme Court has desired the number of judges to be increased in a phased manner in five years so as to raise the judge-to-population ratio to 50 per million. Any substantial progress in that direction will silence the critics of Indian judicial functioning.

In introspection I pose a question for the consideration of all those present—whether the judiciary is solely responsible for the backlog? I have given the broad statistics of the performance of the judiciary. The fact remains that the people's faith in our judicial system has continued to remain firm in spite of the backlog and delays. It is an appropriate time to sit together and make a scientific and rational analysis about why and how the backlog has occurred and whether, with a specific plan we can clear the backlog. The ticklish problem has indeed a simple solution as in school arithmetic on quantum of work, average workload and minimum number of workmen required. We have diagnosed the ailment. The medicine is known. But we have yet to make provision for purchasing the medicine and administering it. We cannot leave it to the patient alone to cure his illness all by himself.

*Meagre plan allocations work out to 0.071 percent and 0.078 percent of the total outlay in Ninth and Tenth Plans.*

During the *Eighth Plan* (1992-97), the Centre spent Rs 110 crores on improving infrastructure, such as constructing courtrooms, etc. In the *Ninth Plan* (1997-2002) the Centre released Rs 385 crores for fulfilling priority demands of the judiciary. This was *0.071 percent* of the Centre's Ninth Plan expenditure of Rs 5,41,207 crores. During the Tenth Plan (2002-2007), the allocation is Rs 700 crores which is *0.078 percent* of the total plan outlay of Rs 8,93,183 crores. The experience shows that these meagre allocations of *0.071 percent and 0.078 percent by the Planning Commission in*

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<sup>1</sup> Key note address in the joint Conference of the Chief Justices of the High Courts and the Chief Ministers of the States in the country and innovating the theme—"Envisioning Justice in the 21st Century" for joint deliberations. By the Chief Justice of India on 18 September 2004 at New Delhi

*the Ninth and Tenth Plans* respectively are totally inadequate and coupled with the formulation of a Centrally sponsored scheme with a condition that the utilisation of the central grant is permissible only if a matching grant is provided by the states, makes it also unfortunate. The Central Government had represented before the Supreme Court in the year 1993 that it had included the judiciary in the plan expenditure.

The planning commission is then expected to make not such meagre allocations and that too by way of the formulation of a centrally sponsored scheme, which makes the utilisation of the central grant conditioned and dependent upon a matching grant being provided by the states, in the context of the grave need to establish more courts ignoring immense pressure on courts and general criticism as to the heavy backlog...

...Every bill in parliament or the state legislature does have a financial memorandum attached to it and the memorandum mentions the allocations required from the consolidated fund of the union/state but it confines itself to the expenditure for administrative purposes. The judicial impact of legislation on the courts is not being assessed in India as is done in the United States where, there is a special statute for this purpose. Almost every statute made by parliament or state legislatures, creates rights and offences which go for adjudication before the trial and appellate courts established by the states (or before the high courts). I strongly urge for a policy decision being taken to make adequate provision in the financial memorandum of every Bill presented in parliament or state legislatures to reflect the additional expenditure likely to be incurred by the judiciary as a consequence of any central or state legislation....

... Eighty-seven family courts in the country are loaded with 2,24,838 cases. In the year 2003, 83,439 matrimonial cases were decided but in the same year 97,549 new cases were filed, leaving behind an annual backlog of 14,000 matrimonial disputes! The purpose of establishing family courts is to save the institution of marriage and not to demolish it casually. Number of family courts needs to be so increased as to reach the target of every matrimonial dispute being decided within six months from the date of institution. Such Family Courts must be assisted by marriage counsellors who can artfully persuade the parties to unite and not to break.

Various commissions and tribunals have been constituted to share the burden of courts. Most of such alternative forums are limping. Absence of proper accommodation for office and for residence, inadequate staffing are common complaints. I regret to mention the nature of some of the problems which came to my notice sitting on the judicial side. The chairman of one commission could not write judgments because his secretary, made available on deputation, was withdrawn by the government without notice. Certified copies could not be delivered to the successful party for reaping fruits of the decision or to the losing party for exercising his right to appeal because there was no paper and also no money to purchase the same. These are minor issues and would not arise if only a little care and caution is taken.

Periodically the chief justices of all the high courts of the country meet under the chairmanship of the Chief Justice of India. Resolutions passed at such a high-level conference sent to the governments do not receive requisite attention. I feel sorry to mention that many of the recommendations made



collectively by the heads of judiciary in the country are dealt and disposed of mostly at the hands of the bureaucracy by simple words like rejected, considered and not feasible. On inviting attention, the only response which is given is matter is receiving consideration by the Government. Such responses, to say the least, are lacking in propriety and courtesy.

The problems of our justice-delivery system are very many but not insurmountable. Similar problems are faced by judiciaries of other countries. The only difference is that we lag behind in implementing solutions. Each wing of governance must discharge its duties and fulfil its obligations towards the other one. The judicial branch cannot fund itself. The framers of the constitution have chosen not to provide for a judiciary which is financially self-supporting. Its dependence on the executive for funding is part of a system of check and balance and is not intended to create obstacles. The concepts of independence and accountability of the judiciary are two arms of a triangle resting on the baseline of funding. I am told that most of the states are suffering from financial crunch but it is only a question of determining correct priorities cutting on avoidable expenditures. Justice dispensation is unavoidable.

### **(1992) 1 SCC 119**

#### ***All India Judges' Association and Others Vs. Union of India and Others***

M.N. Venkatachaliah, C.J.I., A.M. Ahmadi and P.B. Sawant, JJ.

... law books, law reports and legal journals are indispensable to a judicial officer. They are in fact his tools and in case a junior officer has to discharge his duties satisfactorily he has to get acquainted with these. His ability to perform his duty to a considerable extent depends upon his reading habit and devoting a sizeable working time to reading all this literature. Reading habit is indispensable to a judicial officer and possession of a small library of one's own helps generation of the proper reading habit. Law books and law journals have in particular become very costly these days. One standard Law journal for the decisions of the high court, another for the decisions of this court and one or two standard law journals on the average would cost about Rs. 200 a month.

There is no existing system of providing Law books and journals to the officers of the lower judiciary. Many of the judicial officers in the lower ranks have their working places away from the district headquarters where the seat of the district judge is located. There is perhaps at every district headquarter a small library but the number of books is small and more than one copy of many of the books would not be available. Therefore, whether it is at the district headquarter or in areas away therefrom, effective library facility is not available. We are of the view that a uniform pattern of small library should be provided to every judicial officer. We accordingly direct that such a library shall be made available by 30.6.1992 to every judicial officer and the district judge should have provision made in his budget for the said residential library for every judicial officer under his control. The high court should monitor this aspect effectively so that without loss of time, a handy library may be at the disposal of every judicial officer...

We would like to point out that dispensation of justice is an inevitable feature in any civilised society. Maintenance of law and order require the presence of an efficient system of administration of criminal justice. Under the civil code, court fee is realised under the Court Fee Act...

It is not our intention to raise a dispute on this aspect. We adverted to these authorities and the views of this court to bring support for the view that what is collected as court fee at least be spent on the administration of Justice instead of being utilised as a source of general revenue of the states. Undoubtedly the income from court fees is more than the expenditure on the administration of justice. This is conspicuously noticeable from the figures available in the publication in the Ministry of Law and Justice...

**(1993) 4SCC 288**

***All India Judges' Association and Others Vs. Union of India and Others***

M.N. Venkatachaliah, C.J.I., A.M. Ahmadi and P.B. Sawant, JJ.

These review petitions have been filed by the Union of India and various states raising general objections as well as objections to the specific directions given by this Court vide our judgment dated 13th November, 1991 to improve the service conditions of the members of the subordinate judiciary in the country. The general objections which are common in all the petitions may be summarised as follows...

It is entirely in the purview of the respective state legislature/government to determine the conditions of service and as such this power given to the state legislature and the state government is whittled down or curtailed by issuance of the specific directions in this regard by this Court...

The question of uniformity in service conditions is a question of policy pertaining to the respective state government which alone are competent to decide on the said issue and such decisions on the issue have various implications and ramifications which have to be determined by the respective state governments by taking into account its financial limitations.

The directions given by this court involve a very heavy financial outlay and the State Governments with varying degrees of resources cannot implement the direction without considering and taking into account their own financial resources...

A mandatory direction enjoining upon the State to allocate resources to a specific activity would greatly impair the competence of the executive and the legislature to decide relative priorities in respect of the allocation of available resources on developmental and non-developmental activities. Any direction by the government which involves spending sums out of the consolidated fund of the state/union territory, would amount to a direction to the state legislature/parliament for carrying out necessary legislation for relevant appropriation. Such a direction cannot be given by the judiciary to the legislature.

In terms of Article 309 of the Constitution, matters concerning appointment, promotion, terms of conditions of service of the subordinate judiciary are to be decided by the state government/union territory administration subject to such laws as may be passed by the legislature/Parliament. The implementation of the directions given by this court, is likely to result in an impingement on the constitutional functions and powers of the executive and the legislature.

We cannot help observing ... the hostility displayed by the review petitioners to the directions given in the judgment...

But the mere fact that Article 309 gives power to the executive and the legislature to prescribe the service conditions of the judiciary, does not mean that the judiciary should have no say in the matter. It would be against the spirit of the Constitution to deny any role to the judiciary in that behalf, for theoretically it would not be impossible for the executive or the legislature to turn and twist the tail of the judiciary by using the said power. Such a consequence would be against one of the seminal mandates of the Constitution, namely, to maintain the independence of the judiciary...

As early as in 1958, the Law Commission of India in its 14th report on the System of Judicial Administration in this country made certain recommendations to improve the system. The Commission lamented that “though we have been pouring money into a number of activities, the administration of justice has not seemed to be of enough importance to deserve more financial assistance. On the contrary, in a number of states not only had the administration of justice been starved so as to affect its efficiency, but it has also been made to yield revenue to the State”...

The contention with regard to the financial burden likely to be imposed by the direction in question, is equally misconceived. Firstly, the courts do from time to time hand down decisions which have financial implications and the Government is obligated to loosen its purse recurrently pursuant to such decisions. Secondly, when the duties are obligatory, no grievance can be heard that they cast financial burden. Thirdly, compared to the other plan and non-plan expenditure, we find that the financial burden caused on account of the said directions is negligible. We should have thought that such plea was not raised to resist the discharge of the mandatory duties...

The reasons which prompted this Court to direct the grant of residence-cum-library allowance to every judicial officers was that it was found that there was no provision for a judges' library in most of the Courts of the subordinate judicial officers. At many places, particularly, at the taluk/tehsil level, there is not even an adequate Bar library available. It is difficult to understand the attitude of the State Governments towards the provision of the facility of law books and journals to the judges when the judges' whole duty consists of interpreting the law and applying it to the facts before them. It is like asking the artisans to work without their tools. The law books, not to speak of the other books, are the essential tools of the judges. The minimum that is expected of the State is to provide every court with the up-to-date texts of and commentaries on the relevant statutes and the law journals which report decisions of the High Courts and the Supreme Court, for the exclusive use of the judges. Since the governments consistently failed to provide this primary facility to the Courts, it became necessary for this court to direct the payment of Rs. 250 per month to civil judge [junior division] and civil judge [senior division] and Rs. 300 per month to officers of the higher category as residential office-cum-library allowance. We have been unable to understand the objection to the grant of the said allowance. The duty of the State towards the administration of justice is not discharged by appointing judges who are also rarely appointed in time and in requisite number. But that is a different aspect. To enable the judges to perform their duties properly and efficiently, they must also be provided with all the facilities. For want of even the minimum facilities such as the law books and journals, the cause of justice is bound to suffer...

It is difficult to understand the objections raised by the review petitioners to the said direction. The attitude adopted by the petitioners itself bears out that the governments are not at all keen

on providing proper residential accommodation to the members of the judiciary and justifies the necessity to give the said direction. On the admission of the review petitioners, there is at present a shortage of about 5000 houses. This means that about 50 percent of the judicial officers are facing trials and tribulations for want of proper accommodation at rentals within their means. The estimated expense of Rs. 150 to 200 crores for constructing the said houses which is to be incurred by all the states and the union territories is according to us not forbidding even assuming that the estimate is correct.

We now understand that the judiciary has been included as plan subject by the Planning Commission...

**(2002) 4 SCC 247**

*All India Judges Association and Ors. Vs. Union of India (UOI) and Ors.*  
B.N. Kirpal, G.B. Pattanaik and V.N. Khare, JJ.

This writ petition pertains to the working conditions of the members of the subordinate judiciary throughout the country. This is the third round before this court.

On 21st March, 1996, pursuant to the directions issued by this court in the review judgment, the Government of India by a resolution constituted the first national judicial pay commission under the chairmanship of Mr. Justice K.J. Shetty...

The commission recommended that administration of justice in the states should be the joint responsibility of the centre and the states. It noted that the expenditure on the judiciary in India in terms of gross national product was relatively low; it was not more than 0.2 percent. The main recommendation of the Shetty Commission was that the central government must, in every state, share half of the annual expenditure on sub-ordinate courts and quarters for judicial officers...

The most important point in these proceedings appears to us to be as to whether the recommendation of the Shetty Commission laying down different scales of pay should be accepted or not... Therefore, it can safely be concluded that the central government had agreed to set up a pay commission specifically for judicial officers and normally, the recommendations made in that behalf should be accepted unless for some specific and valid reason a departure was required to be made. We may here, bear in mind that the fifth central pay commission report which was submitted, has been largely accepted by the Government of India with little or no modification. It was, therefore rightly urged by Shri RS. Nariman that there must be good and compelling reasons for the states and the central government in not accepting the recommendations of the Shetty Commission...

In our opinion, the pay scales recommended by the Shetty Commission are just and reasonable...

It has not been disputed that at present the entire expenses on the administration of justice in the states is incurred by the respective states...

Accordingly, disagreeing on this point with Justice Shetty Commission recommendations, we direct that the entire expenditure on account of the recommendations of the Justice Shetty Commission as accepted, be borne by the respective States. It is for the states to increase the court fee or to approach the finance commission or the Union of India for more allocation of funds...

Mr. F.S. Nariam has drawn our attention to yet another important aspect with regard to dispensation of justice, namely, the huge backlog of undecided cases. One of the reasons which has been indicated even in the 120th Law Commission Report was the inadequate strength of Judges compared to the population of the country. Even the standing committee of parliament headed by Shri Pranab Mukherjee in its 85th report, submitted in February, 2002, to parliament, has recommended that there should be an increase in the number of Judges. The said committee has noted the Judge-population ratio in different countries and has adversely commented on the Judge-population ratio of 10.5 Judges per 10 lakh people in India. The report recommends the acceptance, in the first instance, of increasing the Judge strength to 50 Judges per 10 lakh people as was recommended by the 120th Law Commission Report...

Time and again the inadequacy in the number of Judges has adversely been commented upon. Not only have the Law Commission and the standing committee of Parliament made observations in this regard, but even the head of the judiciary, namely, the Chief Justice of India has had more occasions than once to make observations in regard thereto. Under the circumstances, we feel it is our constitutional obligation to ensure that the backlog of the cases is decreased and efforts are made to increase the disposal of cases. Apart from the steps which may be necessary for increasing the efficiency of the judicial officers, we are of the opinion that time has now come for protecting one of the pillars of the constitution, namely, the judicial system, by directing increase, in the first instance, in the Judge strength from the existing ratio of 10.5 or 13 per 10 lakhs people to 50 Judges for 10 lakh people. We are conscious of the fact that overnight these vacancies cannot be filled. In order to have additional judges, not only the post will have to be created but infrastructure required in the form of additional court rooms, buildings, staff, etc., would also have to be made available. We are also aware of the fact that a large number of vacancies as of today from amongst the sanctioned strength remain to be filled. We, therefore, first direct that the existing vacancies in the subordinate court at all levels should be filled, if possible, latest by 31st March, 2003, in all the States. The increase in the judge strength to 50 Judges per 10 lakh people should be effected and implemented with the filling up of the posts in phased manner to be determined and directed by the Union Ministry of Law, but this process should be completed and the increased vacancies and posts filled within a period of five years from today. Perhaps increasing the Judge strength by 10 per 10 lakh people every year could be one of the methods which may be adopted thereby completing the first stage within five years before embarking on further increase if necessary...

# Judiciary: Heavy odds, meagre resources

*Colin Gonsalves\**

In a speech delivered by the then Chief Justice of India, Shri RC Lahoti, on Law Day – November 26, 2004, the chief justice had praised the judiciary for “carrying a phenomenal burden which perhaps no other judiciary in the world has had to shoulder.”<sup>1</sup>

“If there are more and more cases in courts”, he had said, “that is because we have a population explosion, we have a more complex and friction-prone society, our dispute resolution and conciliation system are bereft of efficacy, we have increasingly greater awareness of rights, and perhaps because we have more injustice and more arbitrariness in our midst.” He warned that the courts could not “afford to turn a blind eye or a deaf ear to the rank injustices” merely because the courts are already full of litigation and because that would cause the people to have less confidence in the courts and cause a decline in the credibility that the courts have come to enjoy.

Recently, the Chief Justice of India the Hon’ble Shri KG Balakrishnan, in his speech on judicial reforms at a seminar, rebutted the accusations made by the executive to the effect that judges were responsible for the delay in the disposal of cases. He pointed out that even with a network of 14,000 courts and a working strength of 12,500 judges handling four crore cases, each judge was required to deal with 4,000 cases which is extremely high.

In its 120th report submitted on January 31, 1987 the law commission recommended that India ought to have 107 judges per million by the year 2000, the ratio achieved by USA in 1981. It also recommended that India should have 50 judges per million population by 1992. These recommendations were endorsed by a standing committee of Parliament in its 85th report submitted in 2002.

The chief justices complained that the judiciary was held responsible for the mounting arrears of court cases even though it has no control over the allocation of resources and cannot create additional courts, appoint adequate court staff or augment court infrastructure. The chief justices’ conference held in 2007, the high courts found that the institution of civil cases in the high courts far exceeded

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1 Speech delivered by Chief Justice R C Lahoti on 26th November 2004

the disposal despite the increase in the rate of disposal. On an average a high court judge disposes off 2,374 cases and a subordinate court disposes 1,346 cases in a year. At the chief Justices' conference concluded that if the existing strength of judges wasn't adequate even to dispose of cases equal to the number of new cases filed, then the backlog couldn't be wiped out without the appointment of a large number of judges. In fact, the backlog is likely to increase. The judiciary correctly identified the very poor financial allocations made by the executive as the root cause of the problem. Apart from Delhi, every state government provided for less than one percent of its budget for the judiciary. Delhi was the only exception with a figure of 1.3 percent. The tenth plan (2002-2007), allocation was only Rs 700 crores, which is 0.07 percent of the total plan outlay of Rs 8,93,183 crores. The chief justices' conference concluded that, "Such meagre allocations are grossly inadequate to meet the requirements of the judiciary. Governments, therefore, need to allocate additional funds for adequate manpower."<sup>2</sup>

The national commission to review the working of the constitution noted, in its report submitted to the government in 2002 that the five-year plans and the finance commission had made no separate provision for funds for the judiciary for several decades.

At the joint conference of the chief justices of the high courts and chief ministers of the states held in September 2004 in Delhi it was pointed out by the chief justice of india that, "during the eighth plan (1992-97), the centre spent Rs 110 crores on improving infrastructure such as constructing courtrooms, etc. In the ninth plan (1997-2002), the centre released Rs 385 crores for fulfilling priority demands of the judiciary. This was 0.07 percent of the centre's ninth plan expenditure of Rs 5,41,207 crores. During the tenth plan (2002-2007), the allocation is Rs 700 crores, which is 0.078 percent of the total plan outlay of Rs 8,93,183 crores. The experience shows that these meagre allocations of 0.07 percent and 0.078 percent by the planning commission in the ninth and tenth plans respectively are totally inadequate."<sup>3</sup> To add insult to injury the plan allocations and the allocation of the central grant was conditioned upon the state governments making a matching allocation.

The chief justices recommended that expenditure on the judiciary should come from planned funds, and that funds generated by the courts ought to be kept in a separate account and the high courts be given both financial autonomy as well as expert financial assistance. Though this was a long-standing demand of the judiciary governments have been reluctant to grant complete financial autonomy to the high court.<sup>4</sup>

Chief Justice KG Balakrishnan in his presentation on judicial reforms in 2008<sup>5</sup> countered the criticism of the President of India and the Speaker of the Lok Sabha to the effect that the judiciary was responsible for the delays. A large number of cases pending in courts have the governments as a party indicating that lack of proper administration was the reason why citizens are driven to

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2 Pg 256, Agenda Item No.3, chief justices conference-2007

3 Speech delivered by Chief Justice R C Lahoti on 26th November 2004

4 Pg 629, Agenda Item No. 11, chief justices conference-2007

5 Speech delivered by Chief Justice KG Balakrishnan in the All-India seminar on "judicial reform" on February 23 & 24, 2008

litigation. 'Weak and inefficient revenue administration'<sup>6</sup> has resulted in a, 'poor land rights recording system'<sup>7</sup> which was the main reason for the institution of a large number of cases.

Secondly, financial institutions had filed a large number of cases seeking to recover money through criminal proceedings by using the Negotiable Instruments Act, thus converting the courts into 'collecting agents for these financial institutions'<sup>8</sup>. Many of these institutions are privately owned by people engaged in giving usurious loans. As a result the trial of ordinary criminal cases is seriously hampered.

Thirdly, since insurance companies do not follow a fair procedure of acknowledging liability and disbursing amounts before the victims come to courts, there are a large number of motor accident claims pending before various tribunals.

Fourthly, there are a huge number of land acquisition cases in courts because of mal-administration in land acquisition cases where 'the amounts awarded by land acquisition officer has never been reasonable or proper'<sup>9</sup> and as a result, 'the parties are driven to litigation in a large number of cases. In criminal cases' the chief justices identified the 'tardy and inefficient'<sup>10</sup> investigations resulting in a huge delay in the filing of chargesheets as one of the reasons for delay in the disposal of criminal cases. 'Inept policing and weak prosecutions are hugely responsible for slowing down and protracting the criminal trials in many courts.'<sup>11</sup>

Fifth, the financial impact of legislation is not assessed in India as is done in all developed countries. There, every statute is required to have a financial memorandum making provision for extra courts, extra staff, extra judges and the like. Statutes in India are merrily enacted without any such financial memorandum. This puts a huge additional burden on the existing courts and increases the delay in the delivery of justice. Recently it was reported in a Delhi newspaper that there was no space for a tribunal and so the judge began operating from his car. Lack of proper accommodation for courts and the residence of judges have been repeatedly brought to the notice of governments. Numerous complaints have been made to the government about the inadequate staff including stenographers without whom a judge simply cannot work. When these complaints were brought to the notice of the executive by the judiciary they were dismissed out of hand by the executive using language like 'rejected', 'considered not feasible' and matter is receiving consideration by the government. The chief justices found these responses 'lacking in propriety and courtesy.' At this stage it would be relevant to look at the three decisions of the Supreme Court in the All India Judges Association case. In the first case in 1992 the Supreme Court had to intervene on as simple an issue as law books for judges and, in the face of executive apathy ordered a provision of Rs 200 a month for law books for a judge. The Supreme Court pointed out, 'that what is collected as court fee at least be spent on the administration of Justice instead of being utilised as a source of general revenue of states.'<sup>12</sup>

6 Pg 4, Speech delivered by Chief Justice KG Balakrishnan in the All-India seminar on "judicial reform"

7 ibid

8 ibid

9 Pg 5, Speech given by Chief Justice KG Balakrishnan in the All-India seminar on "judicial reform"

10 Pg 5, Speech given by Chief Justice KG Balakrishnan in the All-India seminar on "judicial reform"

11 Pg 6, Speech given by Chief Justice KG Balakrishnan in the All-India seminar on "judicial reform"

12 (1992) 1 SCC 119



In the second All India Judges Association case in 1993 the Supreme Court dealt with a review petition filed by the governments questioning the right of the judiciary to determine the service conditions of the judges and claiming that the directives involved 'a very heavy financial outlay' which the governments could not afford. Characterising the attitude of the governments as hostile, the Supreme Court pointed out that from as far back as 1958 the law commission of India in its 14th report lamented, 'though we have been pouring money into a number of activities, the administration of justice has not seemed to be of enough importance to deserve more financial assistance. On the contrary, in a number of states not only had the administration of justice been starved so as to affect its efficiency, but it has also been made to yield revenue to the State.'<sup>13</sup> Dealing with the argument that the financial burden was heavy, the Supreme Court found that compared to the planned and non-planned expenditure, the burden was 'negligible'<sup>14</sup>. Secondly, 'when the duties are obligatory no grievance could be heard that they cast a financial burden'<sup>15</sup>. The court castigated the governments for opposing the direction for the provision of law books to judges. 'It is difficult to understand the attitude of State Governments...it is like asking artisans to work without their tools'<sup>16</sup>. Regarding the accommodation of judges the Supreme Court found that there was, in 1993, a shortage of 5,000 houses indicating that half of the judicial officers in the country were without proper accommodation.

In the third All India Judges Association case<sup>17</sup> the Supreme Court enforced the recommendations of the first national judicial pay commission, which was constituted in 1996 by the central government. The commission noted that the expenditure on the judiciary was, "relatively low" being not more than 0.2 percent of the GNP.

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13 13 (1993) 4 SCC 288

14 *ibid*

15 *ibid*

16 *ibid*

17 (2002) 4 SCC 247

# No budgets for fundamental rights

*Colin Gonsalves*

**N**on-Governmental Organisations (NGOs) have complained for decades that Fundamental Rights cannot be enforced and become illusionary unless there are adequate budgets to back them up. Courts have responded by saying that budgets are not justiciable and that courts cannot get into that area. This is a questionable proposition, for if fundamental rights are to be a reality and the courts undoubtedly have jurisdiction to enforce these rights and if basic rights such as healthcare, education, food and housing are flouted because the state chooses not to make money available, then are the courts to remain silent? The debate over the shabby budget available to the judiciary, which we have carried in this issue will perhaps force the judiciary to take notice and break from the past apathy and hands-off approach regarding budgets. Rights are meaningless without money. If the enforcement of fundamental rights is a first charge on the State's exchequer, as indeed they ought to be, then there is no reason why a court exercising writ jurisdiction cannot x-ray a budget to determine whether the budget is the source of the deprivation of the Fundamental Right.

My article 'Judiciary: heavy odds meagre resources' demonstrates how the judiciary in India has been starved of funds. Resultantly, India has one-fifth the number of courts it ought to have given the population and the volume of litigation. Delays are therefore inevitable as judges are unable to handle the workload and are forced to grant adjournments.

The executive has been quick to attack the judiciary on this issue, knowing that in the public perception the judge is seen as responsible for the delay. The executive refuses to appoint judges and is the real culprit. Yet it escapes scrutiny and censure. And the judiciary appears unsure as to how the propaganda battle waged against it is to be countered. The former President of India Mr Abdul Kalam was so naïve as to suggest that judges work on Saturdays, perhaps not realising that judges in the superior courts often not only work on Saturdays but also on Sundays. Supreme Court justices, for example, have a fresh additional workload on Mondays and Fridays apart from the other hearings on other days. Like school children they have an enormous amount of homework to do, they have probably the highest work load as compared to any superior court in the world. The current President and the Speaker of the Lower House i.e. Lok Sabha also went on record attacking the judiciary for delays. Somnath Chatterjee who is fond of warning the judiciary not to cross the 'lakshman rekha', himself transgressed the forbidden line when he found fault with the judiciary for the delays when the rootcause was the reluctance of the executive to appoint more judges, set-up more courts and give the judiciary financial autonomy.

Reverting to the issue of budgets for fundamental rights, the paper by Kriti Toshniwal and Vinod Vyasulu titled, 'Karnataka's: fiscal sinew cheers none', makes a study of the budgets of the state of Karnataka for the period 2000-2008 and concludes that even though Karnataka was one of those states with unused surplus cash, the proposed increases and capital outlays for developing infrastructure for education and health, did not take place. On the contrary, expenditure on health and education as a percentage of total expenditure actually declined over the period. In fact, expenditure on social services as a percentage of total revenue and capital expenditure has even recorded a slight fall.<sup>1</sup>

In his article, 'Budgeting for Right to Healthcare in India', Ravi Duggal points out that India has one-third the number of general practitioners that we ought to have. On the other hand instead of focusing on three hundred essential medicines as recommended by WHO, India has 20,000 drug companies and over 60,000 formulations, many of them irrational if not downright fake. While WHO recommends five percent of GDP to be spent on public healthcare services the present government commits less than three percent.

Yamini Mishra and Bhumika Jhamb in their article 'Gender budgeting and women's reality' calculated that the women-specific allocation (percent share of total expenditure) for women in agriculture was 3.66 percent and for food subsidy was 4.35 percent. Priority accorded to women in health declined from 53.91 percent share in the last budget (2007-2008) to 53.56 percent in 2008-2009. Similarly the percent share in higher education dropped from 19.27 (2007-2008) to 17.13 percent (2008-2009).<sup>2</sup> There were no allocations in the present budget for the implementation of the Domestic Violence Act.

In his article 'Budgeting bluffs and deception' Praful Bidwai points out that last year the government, 'wrote off taxes and duties worth a colossal Rs 2.79 lakh crores.' This equals, one-half of all the taxes collected' and included, 'Rs 1.48 crores in customs duty exemptions, Rs 58,655 crores in corporate tax concessions, and over Rs 38,000 crores in income tax exemptions.' The finance minister also, 'reduced taxes on cars, two wheelers, air conditioners and refrigerators.' He also points out that the defence allocation, 'stands at Rs. 121,160 crores as compared to a mere Rs. 34,300 crore to education'<sup>3</sup>.

Vincent Manoharan and Paul Diwaker of the National Campaign for Dalit Human Rights in their article 'Budget Day is Dalits' Black Day' lament that though under the scheduled caste (SC) sub-plan, the Government of India was liable to allocate 16.7 percent of the total planned budget for Dalits as a percentage equivalent of their share in the population; however, less than one-third was allocated.<sup>4</sup> Thirteen departments/ministries made, 'negligible allocations more as a formality'<sup>5</sup>. 'Many of the Ministries and departments particularly, road transport and highways; science and technology; land resources; rural development; youth and sports; agriculture research; commerce; urban development; and water resources made 'zero allocations'<sup>6</sup>.

In a stunning article 'Betraying *Aam Adami*' – How he has it been met in the Budget?' Dr NC Saxena points out that, "that according to the planning commission's approach paper for the XI plan, there has been a sharp increase in unemployment (from 9.5 percent in 1993-94 to 15.3 percent in 2004-

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1 Karnataka: Fiscal Sinew Cheers None, Toshniwal Kriti and Vyasulu Vinod

2 Gender Budgeting and Women's Reality, Mishra Yamini and Jhamb Bhumika

3 A Budget Bluffs and Deception, Bidwai Praful

4 Budget Day is Dalits' Black Day, Manoharan Vincent and Diwaker Paul

5 ibid

6 ibid

2005) among the agricultural labour households.”<sup>7</sup> Though the present government promised in its ‘common minimum programme’ way back in 2004 that it would increase public spending on education to six percent and on health to three percent of GDP, “there has been hardly any serious effort in the budgets presented to move towards the announced targets. Overall expenditure on education and health has stagnated at about half the desired levels.”<sup>8</sup> Mere additional allocations in the central budget are misleading because, “more than 80 percent of the expenditure on these sectors is borne by the states, and unless they, too, fall in line, additional central allocations do not change the picture.”<sup>9</sup> He also demonstrates how, “expenditure on education and health as percentage of total expenditure has stagnated or even fallen in the states in the last eight years.”

He makes a scathing critique for the budgets for the implementation of the National Rural Employment Guarantee, Act (NREGA), “In 2006-2007 the total foodgrain released for wage employment schemes was only 24 lakh tonnes as compared to 68 lakhs in the previous year. This has further come down to only 7.3 lakh tonnes in the current year (up to November 2007) and may not even reach 15 lakhs by the end of March 2008. Converting these figures into cash would imply that the total expenditure by the Government of India on wage employment schemes came down from Rs 18,406 crores in 2005-2006 to Rs 16,117 crores in 2006-2007, and close to Rs 15,000 crores in the current year. If inflation is taken into account, the allocation for 2008-2009 is less than what the government spent in 2005-2006 by at least 30 percent. No wonder the legal guarantee of one hundred day wages, according to the comptroller and auditor-general (CAG), has been fulfilled in only three percent of cases.

Thus the introduction of NREGA has actually reduced governments financial liability to support wage employment.” Studying the budget Dr Saxena found that the expenditure on child labour, rescue and rehabilitation came to, “less than 30 paise per child worker per day.” Dealing with rural distress and referring to a press note of the national sample survey organisation (NSSO) his calculations found, “as many as 19 percent of Indians in 2005-2006 living in rural areas belong to households which cannot afford to spend more than Rs 12 a day per person on consumption, and in the towns and cities as many as 22 percent belong to households where the daily per capita expenditure is less than Rs 19.” Scanning national data Saxena found, “only about half the poor have below poverty line (BPL) or Antayodaya Anna Yojana (AAY) cards, whereas 70.4 percent of the richest quintile have managed to get these cards.”

In his article ‘The Human Right to Drinking Water and Sanitation in Human Rights Paradigm’, Gyana Ranjan Panda calculated that only 52 percent of the target of the, ‘Accelerated Rural Water Supply Programme (ARWSP)’ was achieved because there was ‘massive under utilisation of the allocated funds.’ The CAG found, ‘several examples of corruption, fraud and waste and also poor monitoring of surveillance of the water quality.’ In the international year of sanitation (2008), the government of India claims to have successfully implemented the total sanitation campaign (TSC) in 578 out of the 610 districts of the country. However the mid-term review report, the annual report as well as the outcome budget described the ‘moribund’<sup>10</sup> state of affairs.

7 Betraying Aam Adami – how has it been met in the Budget? Saxena NC

8 *ibid*

9 Betraying Aam Adami – how has it been met in the Budget? Saxena NC

10 The Human Rights to Drinking Water and Sanitation in Human Rights Paradigm. A Case Study of ARWSP and TSC, Panda Ranjan Gyana

Pravas Mishra in his article 'Budget ignores development sector' analyses the budget for the state of Orissa and finds that the state expenditure on health declined from one percent of GSVP in 2001-2002 to 0.85 percent in 2007-2008. Similarly, the State expenditure on family welfare declined from 3.92 percent to 3.41 percent during the same period. The budgetary allocation on school and mass education showed, 'a declining trend over the period of nine years.'<sup>11</sup> The Orissa Education Watch, 2006 found, 'half of the schools in poor condition.' 73 percent of schools lacked toilets. The schools lacked, 'basic facilities for disabled children and safe drinking water.' The CAG report, 2006 found, 'out of 48,490 schools in the state there is no facility for drinking in 2,866 schools, no toilets in 31,131 schools and no electricity in 41,205 schools.'<sup>12</sup>

In this article 'A Trickster's Budget', Prof Arun Kumar points out that, "agricultural investment as a share of the total investment has fallen sharply." He also argues that the rate of inflation is not correctly calculated because, "the service sector, whose share in the economy is now 60 percent, is not represented in the inflation index; so the index is not representative of the price rise. The rise in rents, school fees, medical expenses, cost of financial services, etc. are not represented in the present inflation index."<sup>13</sup>

Enakshi Ganguly Thukral, Bharti Ali, Abhijeet Nirmal and Madhumita Purkayastha of Haq- Centre for Child Rights have analysed the budget for children by desegregating the allocations made for the benefit of the children from the overall budget and found, "several major schemes that have allocations for children missing from the expenditure budget."<sup>14</sup> The share of budget for children according to the statement 22 was 4.5 percent, less than 4.8 percent last year. There was a fall in the budget allocation for child health in proportion to the total budget from 0.268 in 2007-2008 to 0.244 in 2008-2009. The authors point out that juvenile justice boards (JJBs) and child welfare committees (CWCs) are to be set up in all the 611 districts of the country, yet the money has not been made available for setting up these institutions.

Kamal Nayan Kabra in his article, 'corporate euphoria again' analyses the budget and concludes that, "the share of public expenditure on rural development by the union and the state governments in the net national product (NNP) that used to be 3.6 percent for a population that is over 70 percent has come down after liberalisation and the period of fiscal consolidation is just 2.7 percent of the NNP.

Similarly, the share of total expenditure on agriculture and allied activities, including irrigation and flood control, that used to be 37 percent of the first plan total expenditure, has steadily declined to 16.5 percent for the tenth five year Plan period."<sup>15</sup> Dealing with the forgoing of public revenue he finds that, "On account of various tax concessions, exemptions and incentives, the total excise, customs, personal income tax and corporate income tax revenue foregone during 2004-2005 was 2.067 lakh crore. It increases to nearly Rs 2.352 lakh crore in 2005-2006. Of this amount, the exemptions from corporate income tax alone amounted to about Rs 34,620 crore. This amount increased to over Rs. 50,000 crore next year. Indeed, the corporate income tax foregone by the union government is trivially less than the total amount spent by both the union government and the 28 state governments on all rural development schemes."

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11 Budget Ignores Development Sector, Mishra Pravas

12 Budget Ignores Development Sector, Mishra Pravas

13 A Tricksters Budget, Kumar Arun

14 Child Deficit in Union Budget, an analysis prepared by Thukral Ganguly Enakshi, Ali Bharti, Nirmal Abhijeet and Purkayastha Madhumita

15 Corporate Euphoria Again? Kabra Nayan Kamal

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**PART SEVENTEEN**  
**RESOURCES**

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# Resource Mobilisation Efforts of the Union Government

*Nilachala Acharya\**

Pursuit of fiscal reforms as a part of the overall economic reforms in the country during the last two decades has remained the core agenda of mainstream thinking of policy makers as well as development thinkers. The basic tenets of the fiscal reforms, dominated by fiscal conservatism, were to restrict the role of Government in the economy through rationalisation (or lowering) of taxes and limiting the deficits. This conservative fiscal thinking was given legal teeth through the Fiscal Responsibility and Budget Management (FRBM) Act in 2004. Post FRBM Act, the union government, governed by strict deficit reduction targets, has focused on expenditure rationalisation or even expenditure cut measures instead of augmenting more resources. Given this backdrop, the present note begins with a situational analysis on resource mobilisation efforts of the union government over the last few years. Subsequently, it highlights some of the key measures of the government of India towards resource mobilisation in the recent budgets. It then suggests some key pointers to be taken up in formulating a charter of demands on resource mobilisation which needs to be incorporated in the forthcoming Union Budget.

The inability of the government to collect enough taxes to finance the developmental needs of the country had been one of the most worrying features of India's development experience. But reform measures since the early nineties had worsened the situation further. The lowering of tax-GDP ratio had put enormous strain on the fiscal position of the union government. Reduction in fiscal deficit being the central agenda of successive governments at the centre, there were huge cut backs in public expenditure in important social sectors like health and education and economic sectors like agriculture and rural employment. What is even more disturbing is that in the period of economic reforms, this tax-GDP ratio had taken a further beating, implying that reduction in fiscal deficits over this period has been attained mainly at the cost of public expenditure.

We find that there has been a substantial increase in the tax-GDP ratio from around 9 percent of GDP in 2003-04 to around 13 percent of GDP in 2008-09 BE. But the non-tax revenue-GDP ratio declined sharply to around 2 percent of GDP in 2008-09, which was 2.78 percent during 2003-04.

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\* The author is associated with the Centre for Budget and Governance Accountability.



**Table-1: Trends in Tax-GDP and Non Tax -GDP Ratios for the Union Government**

Year	Gross Tax Revenue as % of GDP	Non Tax Revenue as % of GDP
1999-00	8.80	2.73
2000-01	8.97	2.66
2001-02	8.20	2.97
2002-03	8.80	2.94
2003-04	9.20	2.78
2004-05	9.75	2.60
2005-06	10.23	2.15
2006-07	11.42	2.01
2007-08 RE @	12.47	1.99
2008-09 BE \$	12.97	1.81

Source: Receipts Budget, Government of India

Notes: GDP at Market Price figures (Base 1999-2000; At current prices) are taken from CSO;

@ GDP for 2007-08 is Advanced Estimate provided by CSO;

\$ GDP for 2008-09 is projection made by the Finance Minister in "Budget at a Glance, 2008-09"

**Table-2: Union Government's Direct and Indirect Taxes as Percent of GDP**

Year	Gross Tax Revenue as % of GDP	Direct Taxes (Gross) as % of GDP	Indirect Taxes (Gross) as % of GDP
1999-00	8.80	2.97	5.83
2000-01	8.97	3.25	5.72
2001-02	8.20	3.03	5.17
2002-03	8.80	3.38	5.42
2003-04	9.20	3.80	5.40
2004-05	9.75	4.23	5.53
2005-06	10.23	4.40	5.83
2006-07	11.42	5.30	6.12
2007-08 RE @	12.47	6.49	5.98
2008-09 BE \$	12.97	6.88	6.08

Source: Receipts Budget, Government of India

Notes: GDP at Market Price figures (Base 1999-2000; At current prices) are taken from CSO;

@ GDP for 2007-08 is Advanced Estimate provided by CSO;

\$ GDP for 2008-09 is projection made by the Finance Minister in "Budget at a Glance, 2008-09"

There has been a substantial increase in the tax-GDP ratio of the union government over the last three fiscal years. There is a significant increase in direct tax collection (i.e. from around 4 percent to 7 percent of GDP during 2003-04 to 2008-09). However, given the huge growth in GDP, much greater buoyancy in tax collection could be expected, which the government failed to appropriate. Meanwhile, the proceeds from indirect taxes have also increased from around 5.4 percent of GDP to 6.08 percent during the period in between 2003-04 to 2008-09.

What is disturbing is that the service sector, which makes the largest contribution to GDP (55 percent), contributes only around 9 percent to gross tax collection and 20 percent to the total indirect tax proceeds. The largest proportion of the indirect taxes is actually collected from the consumers of final products of non-agricultural commodity producing sectors. This is not a desirable situation in a demand-constrained economy, given that the government is actually not trying to divert these proceeds in boosting demand in the economy.

**Table-3: Important Items of Tax Revenue as Proportion of GDP**

Year	Corporation Tax	Taxes on Income other than Corporation Tax	Customs	Union Excise Duty
	As Percent of GDP at MP			
2000-01	1.70	1.51	2.26	3.26
2001-02	1.60	1.40	1.77	3.18
2002-03	1.88	1.50	1.82	3.35
2003-04	2.30	1.50	1.76	3.28
2004-05	2.64	1.58	1.84	3.17
2005-06	2.83	1.56	1.82	3.11
2006-07	3.48	1.81	2.08	2.84
2007-08 RE	3.97	2.52	2.15	2.73
2008-09 BE	4.27	2.61	2.24	2.60

Source: Same as table-2

Further segregations of some important sources of tax revenue reveals that there has been a substantial increase in corporation tax as well as taxes on income other than corporation tax, though tax-GDP ratio from customs and union excise duty has not shown any encouraging trend since 1999-2000. Falling share of customs duties as proportion of GDP since 2000-01 is a consequence of the overall policy of trade liberalisation and the accompanying reduction in excise duties, which is basically meant to ensure that domestic producers are not at a disadvantage. While the decline in the rates of both customs and excise duties became inevitable in the context of the opening up of the economy and the need to provide a level playing field to domestic producers, the persistence of exemptions and concessions for both these taxes have substantially reduced the collection of these taxes.

**Table-4: Some Items of Capital Receipts and Dividends and Profits as Proportion of GDP**

Year	External Debt Net	Disinvestment Proceeds	Dividends & Profits
1999-00	0.06	0.09	0.49
2000-01	0.36	0.10	0.65
2001-02	0.25	0.16	0.76
2002-03	-0.49	0.13	0.86
2003-04	-0.49	0.61	0.77

2004-05	0.47	0.14	0.73
2005-06	0.21	0.04	0.71
2006-07	0.20	0.01	0.71
2007-08 RE @	0.21	0.77	0.77
2008-09 BE \$	0.21	0.19	0.81

**Source:** Same as table-2

The government is still collecting a significant sum of resources through disinvestment proceeds. This indicates the government's retreat from the socialist spirit of the public sector. Services provided by the public sector is the only resort for the common mass in a competitive market framework. While during the initial years of its present regime of the government, the government restrained itself from undertaking disinvestment activities, it has been keen to revert to increased disinvestment activities especially during the last two years. The resources from disinvestment proceeds increased sharply from around 0.01 percent of GDP in 2006-07, to around 0.77 percent in 2007-08 RE and to 0.19 percent in 2008-09 BE.

**Table-5: International Comparison of Tax–GDP Ratio**

<b>Total Tax Revenue as a Proportion of GDP in 2004</b>	
Countries	Gross Tax Revenue as % of GDP
Sweden	50.7
Denmark	49.6
Belgium	45.6
Netherlands	39.3
Spain	35.2
U.S.	25.4
S. Korea	24.6
Mexico	18.5
India *	16

**Note:** \*2004-05 BE (Total tax revenue for the country)

**Source:** Background Note for National Convention on Union Budget, 2007-08, CBGA, New Delhi, India

Table 5 presents a comparative picture of the tax-GDP ratio of India *vis-à-vis* some of the countries in the world. Though for India, tax-GDP ratio has been rising over the last couple of years, it still falls far short of the levels attained by most developed countries as well as some of the developing countries of the world.

**Table-6: Tax Revenue Foregone in Central Government Tax System due to Tax Exemptions/Incentives/Deductions (in Rs. Crore)**

Items	Revenue Foregone in 2006-07	Revenue Foregone as % of Aggregate Tax Collection in 2006-07	Revenue Foregone in 2007-08	Revenue Foregone as % of Aggregate Tax Collection in 2007-08
Corporate Income Tax	45034	9.56	58665	10.09
Personal Income-tax	32143	6.82	42161	7.25
Excise Duty	75475	16.02	87992	15.14
Customs Duty	137105	29.11	148252	22.51
Total	289757	61.51	337060	58.00
Less (Related to Export Credit)	50045	10.62	58416	10.05
Grand Total	239712	50.89	278644	47.94

**Notes:** As per the Receipts Budget in Union Budget 2007-08, " the estimates and projections are intended to indicate the potential revenue gain that would be realised by removing exemptions, deductions, weighted deductions and affected by removal of such measures..... (Also) the cost of each tax concession is determined separately, assuming that all other tax provisions remain unchanged"

Aggregate Tax Collection refers to the aggregate of net direct and indirect tax collected by the Central Government.

The figure of Aggregate tax collection for 2007-08 is based on revised estimates.

**Source:** Receipts Budget 2008-09, Government of India

Huge amounts of resources are foregone every year on account of various tax exemptions. The total revenue estimated to be foregone in the central government tax system for the year 2007-08 is around 6 percent of GDP. Such an amount is more than sufficient (180 percent) to pay for budgetary support for central plan expenditure and around half of the gross tax collections (47.94 percent).

**Table-7: Tax Revenue Raised but not Realised (Principal Taxes) (Rs in Crore)**

Description	As at the End of Reporting Year 2005-06			As at the End of Reporting Year 2006-07		
	Amounts Under Dispute	Amounts <u>Not Under Dispute</u>	Grand Total	Amounts Under Dispute	Amounts <u>Not Under Dispute</u>	Grand Total
Corporation Tax	28378	9626	38004	26603	12352	38955
Taxes on Income other than Corporation Tax	31549	5921	37470	24730	15391	40121
Customs	2442.94	810.02	3252.96	2897.05	1205.73	4102.78
Union Excise	7600.87	3413.43	11014.3	10573	4626.43	15199.43
Services Tax	409.33	105.29	514.62	721.03	193.8	914.83
Total	70380.14	19875.74	90255.88	65524.08	33768.96	99293.04

**Source:** Receipts Budget, Union Government, 2007-08 and 2008-09.

Moreover, the union finance minister has not announced any significant measure until now for recovering those tax arrears which are not under dispute; such tax arrears (not under dispute) amounted to Rs. 19,875 crore at the end of the reporting year 2005-06 and Rs. 33769 crore at the end of the reporting year 2006-07.

### **Proposed Goods and Services Tax (GST): Some Concerns**

Following an agreement between the central government and the state governments, the rate of Central Sales Tax has been reduced from 4 percent to 3 percent during the previous financial year, that is 2007-08. And for the current financial year, it has been further reduced to 2 percent. (with effect from April 1, 2008). The finance minister, in his budget speech made in parliament for the current year announced that the consultations with the states are underway on the compensation for losses, if any, and once agreement is reached the new rate will be notified. He expressed happiness on considerable progress made in preparing a roadmap for introducing the Goods and Services Tax with effect from April 1, 2010.

In order to understand the change in the fiscal scenario from 2010, when the GST is expected to be introduced, the role of the Thirteenth Finance Commission (TFC) will be crucial to come out with a new basis for devolution of taxes between the centre and the states.

While the empowered committee of state finance ministers has suggested a dual structure for GST with separate taxes at the Centre and the state level, the finance ministry is still looking into the feasibility of such a model. Let us examine some of the challenges surrounding the introduction of the dual-GST at this point and the impact of the proposed GST.

While the professed objective of the GST is to subsume all indirect taxes that are currently imposed on the flow of goods and services, the states appear to have resisted the move to subsume several state taxes. The fundamental point worth mentioning here is that GST, in its proposed form, is a stumbling block towards the spirit of fiscal decentralisation. Many fear that centralisation of the tax collection (indirect taxes) process through introduction of GST will result in concentration of economic power at the centre and this will lead to widening of the gap of economic inequality among sub-national units.

There is no doubt that most of the local taxes will come under this proposed tax system which will lead to squeezing the autonomy of the local governmental units in raising and spending money as per their need. Hence, the challenge is how best to ensure that the revenues of the states and local governments are protected under this proposed regime of GST.

Another key policy challenge relating to GST is that of determination of a uniform threshold, which would apply for both the federal GST as well as the state GST. The present position wherein there are significantly differing thresholds across the two federal indirect taxes of Central Value Added Tax (CENVAT) and service tax, together with the co-existence of multiple thresholds under the state Value Added Tax (VAT), is not conducive at all to the introduction of a uniform threshold under GST.

The objective of ensuring that compliance costs related to the dual GST are within manageable limits can only be met through standardisation. The challenge here is that the present tax statutes across the federal indirect taxes (CENVAT and service tax) and the state VAT are considerably different with regard to their principles and procedures and hence, the task of standardisation is necessary before implementing GST.

An obvious challenge here is the time and effort required to ensure that the vast bureaucracy in the government tax departments is adequately informed and trained on the fundamentally different tax that is proposed to be introduced.

The present central government has been a strong proponent of fiscal conservatism and it has been zealously pursuing the targets of reduction of revenue deficit and fiscal deficit as dictated by the FRBM Act. The finance minister expects that the fiscal deficit for the year 2008-09 BE shall be maintained at 2.5 percent of GDP, which is significantly lower than the FRBM target of 3 percent

of GDP. The revenue deficit is expected to be at 1 percent of GDP during 2008-09 BE. The primary deficit has actually become negative.

**Table-8: Deficits of the Central Government as Percent of GDP**

Year	GDP at MP	Revenue Deficit	Primary Deficit	Fiscal Deficit
1999-00	1952036	3.5	0.7	5.4
2000-01	2102375	4.1	0.9	5.7
2001-02	2281058	4.4	1.5	6.2
2002-03	2458084	4.4	1.1	5.9
2003-04	2765491	3.6	0.0	4.5
2004-05	3126596	2.5	0.0	4.0
2005-06	3580344	2.6	0.4	4.1
2006-07	4145810	1.9	-0.2	3.4
2007-08 RE @	4693602	1.4	-0.4	3.1
2008-09 BE \$	5303770	1.0	-0.7	2.5

Source: Same as table-2

### Off budget Subsidies through Selling Bonds: How 'Meritorious' are they?

There are merit subsidies and there are non-merit subsidies. Merit subsidies would have to be continued with a view that most of such benefits are being reaped by the marginalised sections of the society. Most of the non-merit subsidies are being funded by means of off-budget provisions through selling bonds. The question here is of accountability and transparency of the whole exercise of preparing the budget in the context of FRBM and bringing down the deficits. Let us take a brief look into the whole exercise in the context of Budget 2008-09 and what could be its macro policy implications.

The government has largely funded the growing subsidy on petroleum products and fertilisers through bonds. The fertiliser and petroleum companies sell products lower than the cost and the government makes up the deficit through bonds. These are normally not shown within the budgetary classifications. The total subsidy bill in 2007-08, which was pegged at Rs 69,742 crores initially, inclusive of the off-budget oil and fertiliser bonds, increased to Rs 88,499 crores. In 2008-09, the subsidy bill will be substantially higher than the estimated Rs 71,431 crores. The government has projected a revenue receipt of Rs 6,02,935 crores and an expenditure of Rs 6,58,119 crores. The expenditure is expected to be substantially higher than the estimate in wake of the rise in global oil prices, fertiliser subsidy, implementation of pay commission recommendations and farm debt-waiver package. A clear example in this regard is the loan waiver scheme for farmers. Indeed it is a welcome announcement in the budget by the finance minister. But the banking industry is asking a different question: who will bear the burden? It is not surprising that many of the subsidies, in general, remain off-budget as only a small portion of them are explicitly shown in the budget documents (like food subsidy). But how justifiable are these subsidies for which the government is afraid of making a provision in the budget?

In India, we find subsidy support for various goods and services such as food, fertiliser, petroleum, energy, irrigation, education, drinking water and so on. The simple justification for such support is that the cost of providing these goods and services is so high that the common man cannot afford them. But there is an argument that in a welfare state, maximisation of aggregate consumer welfare is facilitated through the subsidisation of goods and services that benefit the poor. But unfortunately, much of the subsidy benefits go to the rich and undeserving in place of the poor.

### Implementation of FRBM Act

The Indian Parliament, in August 2003, passed the Fiscal Responsibility and Budget Management (FRBM) Act, which imposes stringent fiscal discipline on the central government in its overall fiscal and macroeconomic management operations. The stated objectives behind this Act were:

- To maintain transparency in fiscal management systems in the country;
- To bring inter generational equity in debt management; and
- To bring long term fiscal stability in the economy

It provided for three statements to be presented by the central government namely;

1. The Medium Term Fiscal Policy statement;
2. Fiscal Policy Strategy Statement; and
3. Macro Economic Framework statement.

#### Targets Set in the FRBM Act

The FRBM Act has put forward a set of targets to be achieved over a period and these targets are:

- Elimination of Revenue Deficit (RD) by March 2009;
- Reduction of Fiscal Deficit (FD) to an amount equivalent to 3% of GDP by March 2008;
- Reduction of RD by an amount equivalent to 0.5 percent or more of the GDP at the end of each financial year, beginning with 2004-05; and
- Reduction of FD by an amount equivalent to 0.3 percent or more of the GDP at the end of each financial year, beginning with 2004-05

In practice, the Act was a deficit management tool for the government. According to mainstream economists, deficits in government budgets are considered to be major factors affecting the growth process in the economy by contributing to inflation and increasing the debt burden leading to a greater resource drain on the exchequer in terms of interest payments. Deficits in general can be contained through different mechanisms. It can be a front loaded mechanism reducing deficits through greater resource mobilisation or a back loaded method by reducing expenditure. In India, both the methods were followed in different intensities. In order to augment resources, policies like disinvestment were also followed along with major reforms in tax policies and administration. It is now necessary to assess the impact of the Act on various facets of Indian public policy paradigm. Some of the major findings are presented below.

#### Impact of FRBM

As a tool for bringing transparency, the fiscal policy and fiscal strategy statements brought out by the government are appreciable as these provide substantial information to the wider public and media for assessing the fiscal situation of the country on a regular basis. Much information on tax exemptions, details of internal and external debt, different short term forecasts on macro economic indicators are now available in public domain.

On the other front, a major logic behind reducing deficits was that deficits lead to inflation and this act calls for reducing deficits in order to contain inflation. The Union Government has been able to show lower levels of deficits. However, according to many observers, the actual magnitude of the government's indebtedness has not come down over the last few years, since some of the fiscal operations of the central government have been shifted off the budget by using public sector undertakings.

Union Budget 2008-09, with regard to deficits, reflects that these are being maintained at a level far below the FRBM targets. The finance minister hopes that the fiscal deficit for the year 2008-09 BE shall be maintained at 2.5 percent of GDP compared to the FRBM target of 3 percent. The revenue deficit is expected to be controlled at 1 percent of GDP during 2008-09 BE. The primary deficit has actually turned out to be negative. In a country like ours with huge excess capacity of the factors of production, a higher primary deficit is actually beneficial for the economy as it creates more effective demand and thereby employment in the economy.

Based on the above discussion, we need to raise some key concerns with regard to the forthcoming Union Budget.

- In terms of the tax-GDP ratio *vis-à-vis* other countries of the world, India is lagging far behind.
- Falling share of customs duties as a proportion of GDP since 2000-01 has added to the Government's challenges in augmentation of more resources. The reductions in customs duties are consequences of the blind implementation of trade liberalisation policies and the existing rates are at times even below the requisite levels to meet commitments to WTO. Government should increase customs duties, at least to the WTO prescribed levels.
- Tax revenue forgone due to tax exemptions, incentives and deductions in the central government tax system, especially with regard to customs duty and corporate taxes, should be limited as much as possible. Moreover, the government should try to collect the tax arrears which are not under dispute.
- At the present juncture, the union government should have expanded the size of the Union Budget significantly (especially the plan component) in order to provide adequate resource support to crucial economic sectors like agriculture and rural development and the social sectors. However, the obsession of the present government with the FRBM Act and its arbitrary targets has been a big obstacle in this regard.





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**PART EIGHTEEN**

**OTHERS**

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# Efficient Transfer of Funds for Centrally-Sponsored Schemes

*Ashutosh Dikshit, Renuka Viswanathan, T R Raghunandan*

In the Indian context, Centrally-Sponsored Schemes (CSSs) account for the largest number of specific purpose grants extended by the union government to states under Article 282 of the Constitution. The number of such schemes has gone up over the years as also the size of the allocations made. At the latest count, there were 155 schemes being operated by 30 central ministries and departments with a total outlay of around Rs 71,997 crore.<sup>1</sup> There has naturally been much heart-burning among some state governments on this account, since they would like such funds to be routed through 'block' (general purpose) grants to states, through the Gadgil formula, approved by the National Development Council (NDC) with their participation and consent and not merely voted by the central parliament. Some states, however, particularly the less developed ones, whose specific problems are addressed by CSSs, support the present arrangement. Even within the more developed states, administrative departments that receive CSSs prefer to continue the existing situation as it ensures them a regulated fund flow for critical areas, free from the vagaries of their own finance departments. The situation has become more complicated after administrative ministries in the centre have adopted mechanisms to bypass state treasuries and transfer CSS funds directly to district level agencies and local bodies. The ongoing dispute between the centre and the states and among states themselves, has severely affected the adoption of sound accounting and monitoring practices and it is essential to restore them in an amicable and acceptable manner. Fortunately, the widespread adoption of computerised procedures provides an ideal opportunity for saving the situation.

## In Search of a Solution

A number of ticklish issues are awaiting resolution concerning the accounting mechanism for centrally-sponsored schemes and the realisation of their developmental outcomes.

- (a) State governments have been demanding in the NDC and other fora that the CSSs releases should be routed by the Government of India only through their budgets and not disbursed

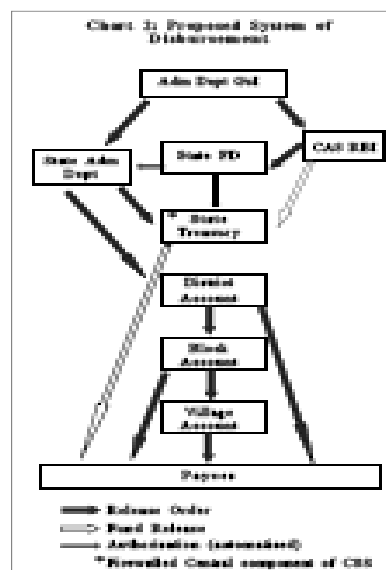
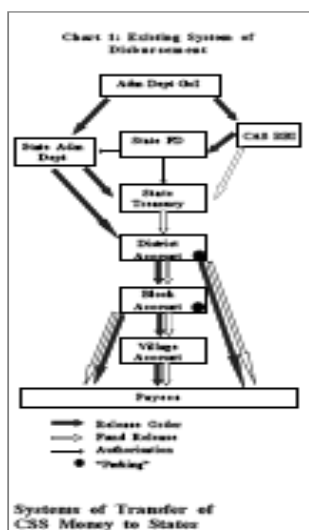
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<sup>1</sup> Report of the Expert Group to Develop Concrete Proposals for Restructuring Centrally Sponsored Schemes, Planning Commission, September 2006, Annexure IV A. Economic and Political Weekly June 9, 2007

directly to district level agencies or to para-governmental bodies. At the same time, central ministries and their counterparts in the states have been pointing out that state governments delay release of CSS funds to implementing bodies including local bodies, thereby seriously impairing the achievement of targets. No solution has yet been found for transferring CSS funds from central ministries to state budgets and still making them directly available, when required, to the actual implementing office, agency or local body without any delay.

- (b) Budgetary information and reporting systems of state governments remain incomplete when CSS funds are directly released by central departments without passing through the state budget or treasury systems. Since such releases have been growing in volume and number over the years, statistics relating to state budgetary provisions and expenditure tend to be incomplete and distorted. These anomalies need to be corrected.
- (c) The CSS money is released by passing through various levels in the state governments. It is deposited in treasuries and subtreasuries as well as in a large number of bank accounts. At present, it is well-nigh impossible to ascertain the amount spent on a CSS at any point of time or for any specific period. Reports of the comptroller and auditor-general (CAG) have repeatedly drawn attention to CSS funds lying unutilised for long periods and substantial time lags in reconciling figures reported by departments with those maintained by bankers. The scope for leakages and misappropriation is apparent.
- (d) From the accounting point of view, reconciliation of expenditure and release figures is a huge issue. The present mechanism gives tremendous scope for states and implementing agencies to misreport releases on CSS schemes as expenditure. The need for an automatised tracking system for CSS funds is well-established. This will also generate the data required for policymaking tied closely to the actual fund requirement of specific sectors, annually and periodically.
- (e) The CSSs which focus on income generation for beneficiaries provide assistance linked to credit disbursement by banks. The general experience is that poor access to bank credit is affecting the achievement of CSS outcomes. Innovative methods are called for to improve access to banks for weaker groups as depositors as well as lenders.

This article attempts to develop a comprehensive systemic solution to simultaneously address all the above issues.



## Systems of Transfer of CSS Money to States

- (a) **From government of India to state government:** The pay and accounts officer of the department concerned in the government of India sends release orders for CSS funds to the Central Accounting System (CAS) at Nagpur set up by the Reserve Bank of India (RBI), which maintains the consolidated fund of the government of India. The CAS Nagpur, in turn, sends an intimation to the Accountant General (AG) of the state and its finance department. At present, there are complaints from the implementing departments at the state level and local bodies that they are unaware of release of CSS funds in respect of their schemes or activities devolved to them. Finance departments of states often make implementing departments bring them copies of release orders. It is essential therefore to put information regarding release of CSS funds on a web site to which all departments of the state government have access. If security and banking secrecy are not compromised, this could even be made available to the public. Intimations should also be sent by CAS Nagpur to treasury network management centres in states where the treasury system has been computerised.
- (b) **From the state finance department to implementing department:** On receipt of the release order for CSS funds, the finance department of the state issues a credit authorisation slip to the department concerned under intimation to the treasury. To ensure that CSS funds are immediately available to implementing departments for issue of further release orders, it is essential to make the issue of the credit authorisation slip by the finance department an automatic activity in the computer programmes of these departments. Treasuries must also have no option, but to act on these authorisation slips – this should be built into treasury computerisation programmes.

- (c) *From the implementing department to implementing level (s)*: At present, fund allocation orders are issued by the administrative department to different empowered levels within its delegated powers without specific authorisation by the finance department and, where required, with the concurrence of the finance department. Copies of such allocation orders are marked to: the offices authorised to do further allocation or to disburse funds; their supervisory levels; the finance department; and concerned treasuries.

In accordance with these orders, funds are then released to the next subordinate level, which then issues further allocation and release orders till finally the money is placed at the disposal of the actual implementing level or agency. In the case of CSSs, for which funds are routed through state treasuries, expenditure is booked when releases are made to the final beneficiary or payee. However, because of treasury delays and financial constraints of state governments, over the last two decades, beginning with the big ticket budgets of schemes of the rural development department, in the majority of CSSs today, funds are released directly by the central government to bank accounts of district level agencies. Hence after further release, orders are made, funds pass on to accounts maintained by lower levels till they are finally placed in the bank accounts of implementing bodies like *Panchayati Raj Institutions* (PRIs). As a result, the CSS funds are scattered in a large number of accounts at different government levels and the task of reconciling releases with final expenditure, computing the interest earned on such deposits in banks between the dates of release and final expenditure and formulating guidelines for using this interest has grown to unmanageable proportions.

It would be desirable to return to a system of routing government funds in treasuries alone from which expenditure can be clearly ascertained, controlled and monitored, but this would be acceptable to implementing departments only, if a mechanism is put in place to ensure that expenditure claims of beneficiaries are settled on line without hindrance and delay. To achieve this, it is essential to remove all scope for finance departments of states to block release of funds against legitimate expenditure claims submitted under CSSs. This article will explain how such a system can be put in place easily under the computerised system of treasury management that is being rapidly introduced by many state governments. The example given below is taken from Karnataka, but it could be applied to many other states too.

Under the 'Khajane' project of comprehensive computerisation of treasuries in Karnataka operational from 2002 (networking all 216 treasuries through a dedicated V SAT network), an access to classified accounts has been given to the accountant general (AG) of the state as well as to 'zilla panchayats'. Budget control mechanisms have also been computerised under this system and there is a provision for online processing of claims. The management information system (MIS) reports required for various purposes are generated automatically from the system and can be made available on real time basis. The PRI accounts are differentiated into three categories within the computer-own funds (raised from house taxes, fees, etc), transfers from the state government and transfers from the central government under CSSs, finance commission grants, etc. Unutilised funds under state schemes which cannot be rolled over to the next year without specific legislative authorisation revert back to the state's budget at the end of the financial year. This kind of system should be refined and adapted to meet the needs of our comprehensive accounting system for CSSs.

Figure 1: Bill Transaction in New System

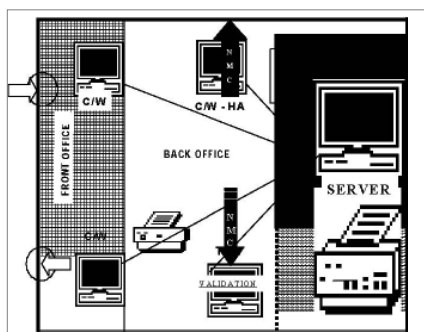
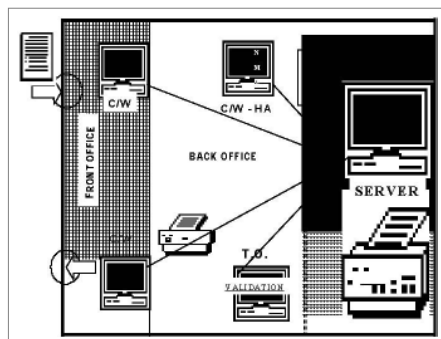


Figure 2: Bill Transaction in New System



Notes: C/W= Clerk; C/W-HA= Head accountant; TO= Treasury officer; NMC= Network monitoring centre.

1. The first requirement to achieve this objective is to ensure that all CSSs clearly provide for levels within the state which should allocate and release funds. In some CSSs, these are laid down by the administrative department in the central government, but in many more, given the diversity of administrative structures at the district level and below, discretion is left to the states – in some schemes, the criteria for allocation and release among implementing levels within the state have been laid down by the administrative department of the central government. In others, these are to be determined by states. Once criteria are finalised, transparent online fund allocation and release can be done, if criteria are entered into the computer programme. This has been done, for example, in Karnataka, for Twelfth Finance Commission grants to rural local bodies. Hence, CSS guidelines should indicate clearly the criteria if any fixed for allocation and release of funds within the state and, if they have not been determined a priori, the government level which should determine the rational criteria, so that these activities can be done transparently and automatically.
2. The second requirement is to separate the process of allocating and releasing funds from that of actual disbursement. This is essential to ensure that fund movements are minimised and rationalised so that there is no scope for confusing release and expenditure, misreporting or delayed reconciliation of accounts. Every release order for CSS funds need not be accompanied by a corresponding physical transfer of funds from one account to another. Release orders issued by different administrative levels should be entered into the computerised treasury data base, but funds will be released only when the final claim is presented by the beneficiary or payee. Such a system is already operational under the *Prime Minister's Gram Sadak Yojana* (PMGSY), a scheme of the rural development department, albeit using bank accounts. Under this system, the CSS funds transferred to a state are deposited in a state level bank account and the bank supplies cheque books to district offices. Cheques issued by district offices are cleared on presentation at any bank branch.
3. The next logical stage is to move from retaining CSS funds in a bank account, as done under the PMGSY, to managing them in the state treasury itself. The treasury will then have to release funds without delay directly to the account of the final claimant, when he presents the cheque



received from the disbursing body at any authorised bank branch. If this can be done, the gap between release and expenditure will be eliminated and there will be no scope for reporting or confusing the release of CSS funds for expenditure. From the MIS, accounting and audit points of view, the benefits to the implementing and finance departments at the state and central level will be enormous. The finance departments of states and budget analysts will also be able to capture all expenditure under CSSs at one go for understanding the sectoral distribution of budgetary expenditure and taking policy decisions, without having to separately add back expenditure incurred on CSSs transferred directly by GoI to districts, as is being done now. To achieve this, the state treasury system should be networked with the state's finance and spending departments and different disbursing and spending levels (like PRIs) and the computerised data base should be connected with the AG's office. Treasury computerisation should extend to budgetary control also. Such a system is already operational, for example, in Karnataka; many other states must also have introduced it fully or partially. Banks will perform a new role as agents of the state treasury. This will also require the core banking network to be interoperable with the treasury network.

4. Retention of CSS funds in the treasury, as was being done in the past, will not be acceptable to administrative departments at the central and state levels, if the state finance department continues to exercise the power to stop or delay releases (when claims are presented by the final claimant) or otherwise divert the central share of CSSs released to states. It is necessary, therefore, to introduce into the computerised system an automatic block that prevents state finance departments from interfering with releases against the central share of CSS funds. How this can be done is suggested below taking the case of the current procedure adopted in computerised treasuries in Karnataka.

The activity charts (Figures 1 and 2) demonstrate the sequence of events in the release of funds from the treasury under the present computerised treasury system. Figure 1 shows how the bill presented in the treasury is first subject to a routine preliminary examination by the clerk in the front office (C/W who issues an acknowledgement) and subsequently subjected to back office examination by a second clerk (C/W-HA head accountant). It then goes to the treasury officer (TO) for clearance. All these persons are linked in the server set up in any treasury. Once the bill is validated by the TO as seen in Figure 2, there is an automatic intimation to the network monitoring centre (NMC) which clears the bill for payment.

This is a critical stage of the process as it is controlled by the finance department to manage the state's liquidity position. Fund flow can be blocked or interrupted by the authorised officer of the state finance department (Generally the deputy secretary, budget) in accordance with guidelines developed within the state. For example, when the state's overdraft situation becomes critical or when big releases are involved, case by case release of funds can be introduced into the computerised system to tide over temporary liquidity problems. What is suggested here is the introduction of an item in the treasury's computer programme to prevent such blocks being employed in respect of funds falling under one head of account, that is the head of account applicable to the central component of CSSs. The following two requirements should, therefore, be met:

- a specific head of account should be given by the CAG to distinguish the central component of CSSs, if this is not already there;

- an item should be introduced into the treasury computerisation programme of the state which will prevent the state finance department from blocking claims booked against the central share of CSSs released to states.
5. Efforts are being made by the finance ministry to make as many of its payments as possible to bank accounts to reduce the scope for corruption, misappropriation and delay. The system outlined above can be completed by moving as quickly as possible to a procedure of directly crediting claims preferred by beneficiaries to their accounts, whenever funds are released under any CSS. The core banking system has become operational over a large part of the country and it is expected to be further extended. Several departments have already begun paying employees' salaries into their accounts. Schemes like the national rural employment guarantee scheme are already being operated in the states like Karnataka and Andhra Pradesh by making payments in bank accounts opened by beneficiaries. In some states, instalments under the *Indira Awaas Yojana* are also being released to bank accounts opened by beneficiaries. It should, therefore, be possible to soon move to a system of making a large number of payments under CSSs through bank accounts only, thus reducing substantially the scope for corruption, misappropriation and harassment. Such a system will also have another desirable, much-sought-after fallout. A large number of bank accounts will be opened of poorer families who now do not have access to the banking network. Once they enter the portals of banks as depositors and valued customers, access to further services like borrowing will become much easier. By this method, therefore, the coverage of banks will be extended in a painless and effective manner.

## A Win-Win Situation

The modifications proposed above will resolve the issues listed earlier and benefit all interested parties as indicated below:

- (a) ***The finance ministry:*** The biggest beneficiary of the revised procedure will be the central finance ministry. The ongoing battle between central departments and state governments about sending CSS funds to states will disappear, since funds will now be routed only through state treasuries, but state finance departments will not be able to block further releases and booking of expenditure. Funds released cannot be reported as expenditure. Accurate online data regarding expenditure will be available to facilitate preparation of a fund release plan on the basis of actual utilisation. There will be no scope for released funds to lie around unutilised in the bank accounts of different levels of government, PRIs or other agencies. Hence, reconciliation will not be required and audit paras on this account will be reduced. Reduction of corruption and painless extension of the coverage of banks to poorer groups are the other immeasurable benefits that the revised system will generate.
- (b) ***The administrative department in the central government:*** The department that is releasing CSS funds will get accurate real time reports of expenditure incurred with no contradiction between what is reported by states and what is reported by districts. Complaints that state governments are blocking the release of the central component of CSS funds cannot be made an excuse for non-performance. (Release of the state component will continue to be monitored as usual as it will still depend on the liquidity position of the concerned state and the directions of

its finance department. However, this need not be a major hindrance as a large number of CSSs today are fully funded by the centre). Administrative departments handling CSSs in the central government might even at the beginning face a situation of lower expenditure than reported by states hitherto because of the elimination of the system of reporting releases as expenditure and removal of the scope for 'parking' money in various bank accounts. In the long run, this is highly desirable as it will force all implementing bodies to focus on the realisation of targeted outcomes. The scope for corruption and misutilisation will be largely reduced, since issue of release orders by various implementing levels will not be accompanied by corresponding movement of funds and payment will be made into bank accounts. Departments handling CSSs calling for bank credit are bound to find it easier to get banks to lend to persons who are already operating accounts with them. Audit paras and reconciliation problems will come down.

- (c) ***The finance department of the state government:*** The finance department in the state will be giving up a major power, that is the power to stop or reroute the movement of the central share of CSS money to tackle overdraft problems. But, it must be remembered that the scope of this power has already been greatly eroded, since funds under most of the big ticket CSSs are in any case already bypassing the state treasury and moving directly from the central government's account to district level bodies and agencies. The state finance department will, however, gain substantially from the retention of a large quantum of central funding for CSSs in the treasury since this amount can be counted against the state's account for calculation of its treasury balance and overdraft situation. It will also gain enormously in terms of efficient monitoring of expenditure and better policy-making. Actual expenditure (not just releases) will be reported by implementing bodies and reconciliation and audit become much easier. Funds released through several levels or directly to districts by the central government need not be painfully tracked and periodically added back to state budgets to get a full picture of the expenditure profile of departments and local bodies as this will be available on real time basis. Corruption and misappropriation will come down. State schemes calling for credit linkage will become more successful since banks will become more responsive in lending to their depositors; this will reduce the burden of work of the state level credit committee that meets periodically to review bank credit with special reference to government schemes.
- (d) ***Administrative departments of the state government:*** Release of the central component of CSSs will not have to be tracked since it will be available on a web site. The state finance department will not have to be repeatedly reminded to release money against this component as the authorisation slip to the treasury will be automatically issued through the computer. Further allocations and releases will also be done automatically in the case of CSSs with built-in criteria, once these criteria are entered into the computer programme. Since funds will not be passed through several levels, 'parking' can be avoided and reconciliation and audit will become much easier. Administrative work can now concentrate on actual achievement of outcomes and energy will not be frittered away in routine tracking of files and funds. As indicated earlier, however, at the beginning, state administrative departments may find that the expenditure reported is lower than before, because of the elimination of various intermediate blocking mechanisms, but in the long run, this will mean that the focus will be on outcomes alone.

- (e) **Panchayats at all levels and municipalities:** A key impediment in the functioning of panchayats and municipalities as institutions of local self-government is the high degree of mismatch between functional assignment and fund allocations. This applies to CSSs too. States continue to divert funds pertaining to functions assigned to panchayats through parallel district-based implementing agencies. Coupled with other ongoing reforms aimed at operationalising a panchayat sector window separately within the state budget to indicate allocations made to each panchayat in accordance with functional assignments, the proposed system will ensure that actual releases to and by panchayats are not irregular and lumpy. Fund releases to beneficiaries of panchayat level schemes and implementing agencies selected by panchayats can also match the working cycle, which is dictated by seasonal conditions. Delays in releases to panchayats caused by cumbersome financial transfer processes involving several intermediate steps will also be eliminated. If panchayat accounts are eventually computerised, as an extension of treasury computerisation as is being done in the case of *zilla panchayat* accounts in Karnataka, the system will provide a timely record of allocations and releases to and expenditures of PRIs, which can be made available in the public domain.
- (f) **Banks:** From the point of view of banks, many accounts opened by PRIs and other agencies at different levels for operating CSSs will no longer be required. On the other hand, there will be a substantial growth in the accounts of beneficiaries and others receiving payments under these schemes as we move to making almost all such payments through bank accounts. The resultant increase in coverage will extend the depositor base and eventually provide a better access for hitherto excluded sections of the population to loans and other services offered by banks, without directions from above or targets fixed and monitored from outside the commercial banking system. This could even lead to the development of innovative services and products most suited to the requirements of such groups. Banks will also gain by providing services to widely dispersed panchayats as agents of the state treasury. Thus banks can function as repositories for bills and invoices received from panchayats. Banks will also gain by providing the service of receiving local taxes and fees levied by local bodies on citizens.

## Gaining Acceptance for the New Procedure

Modifications proposed in the existing procedure may not be readily accepted by all stakeholders as they would have to abandon their existing viewpoints regarding CSSs and their perceptions about one another. Changes will, therefore, have to be suggested using both persuasion and pressure principally by the finance ministry and the planning commission. The best place to start is probably the subcommittee of the NDC, which is looking at the question of CSSs at present. This should also form a core component of the treasury computerisation report under the government's national e-governance programme. Once policy-makers at the highest level in the central and state governments and the Planning Commission are won over to the new line of thinking, pilot projects could be taken up in states which have achieved some degree of technical competence in terms of computerisation of their treasury systems. After the testing phase is over, the revised procedure could be universalised across the country.

(Courtesy: Economic and Political Weekly, December 29, 2007)

# Implications of the Loan Waiver for Rural Credit Institutions

*Nilakantha Rath\**

In his budget speech on February 29, 2008 the union finance minister made a number of proposals for expenditure on education, health and agriculture. However, this did not attract much attention from the media or the public and politicians. The one item on which attention was focused was the writing off of loans amounting to Rs 60,000 crore, mainly to small farmers, from credit institutions. Within a couple of days of the announcement, the prime minister and the Congress president proclaimed the revolutionary step. The finance minister followed by forecasting that this would lead to a revival of growth in farm production.

A government announcement says that agricultural loans (including interest) to farmers cultivating up to two hectares (or about five acres) of land given by cooperative credit societies and commercial banks that were outstanding on March 31, 2007 shall stand written off. Only 25 percent of the total outstanding agricultural loans to farmers holding more than two hectares of land on that date shall be written off. Following this, farmers in different regions raised their voices asking for the conversion of loans from private moneylenders into lower interest-bearing bank loans, which should then be written off. The union minister of agriculture has gone about advising farmers, in his public meetings, to refuse to repay loans taken from unregistered moneylenders. If the moneylenders create trouble, the union government, he said, would advise the state governments to ask their police to take care of such moneylenders.

The news media has made three observations:

- i) This step has been taken keeping an eye on impending elections;
- ii) Where will the government find the money? And
- iii) What about non-agricultural loans?

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No one appears to have raised any questions about the possible consequences of such waivers on rural credit institutions and the agriculturist class.

Writing off agricultural loans is not new in our country. The union government under the prime ministership of V P Singh made a similar announcement in the budget of March 1990. While the union government was to compensate commercial banks for the writing off of all agricultural loans, the responsibility of compensating the cooperative credit societies was to be shared equally by the union and state governments. During the last three or four decades, some state governments have made similar announcements from time to time. The cultivators have assumed that this will happen from time to time.

## **State of Rural Credit Institutions**

After the declaration in March 1990, there was a decline in the availability of agricultural loans from cooperative credit societies and commercial banks. The reasons were many. The governments were not in a position to compensate the credit societies or banks for the write-off in one go: it took a number of years. Therefore, those individuals or societies, which still had overdue loans could not have access to fresh loans. Those cultivators, who had already repaid their loans before the announcement, felt cheated and therefore, were reluctant to repay their fresh loans. Those who had benefited realised that such a write-off will occur from time to time and therefore, were unenthusiastic about repayment. Besides, there were droughts, floods or cyclones leading to failure of repayment. To add to these circumstances, the new economic policy announced in 1991 emphasised the profit performance of the state-owned commercial banks and reduction in their nonperforming assets, which led to reduction of agricultural loans given by commercial banks. The survey by the National Sample Survey Organisation (NSSO) in 2002 showed that, except in states like Gujarat and Maharashtra, where cooperative milk marketing unions and cooperative sugar factories had a large role, institutional credit to agriculture had greatly declined.

Institutions like the National Bank for Agriculture and Rural Development (NABARD), instead of taking steps to revive the agricultural cooperative credit institutions, took greater interest in the newly emerging self-help groups in rural areas. Finding that these bodies, coming up largely on their own or on some non-government organisations initiative, were successfully collecting small savings on a regular basis from their members and providing loans to the needy amongst them from such savings, NABARD decided to increase the supply of rural credit by supporting such institutions by providing them with massive cheap loans.

The planning commission, finding that the rural cooperative credit institutions, which had over the preceding five decades helped agriculture with largescale loans to finance production as well as capital investment, were not performing well, set up a committee to recommend steps to revive such institutions. That committee (the vaidyanathan committee) came to the conclusion that the only way to revive rural cooperative credit institutions would be to free them from government share capital and all types of state financial help and loans as well as from the government staff who run them, thereby making them, in effect, completely member driven institutions. In order to free the cooperative institutions of the financial involvement of the state, the committee suggested

a financial provision of about Rs 14,000 crore to repay the state governments their financial dues. There was also an obligatory recommendation to amend the cooperative laws in the states along the lines of the model draft law prepared by the brahma prakash committee of the planning commission. The prime minister and the finance minister accepted the recommendations of the committee.

But, from the provisions in the memorandum of understanding signed by the union ministry of finance, NABARD and the state governments, specifying the steps to be taken by the state in order for the union government to release the estimated money, it appears that under the new arrangement, the state government can subscribe up to 20 percent of the share capital of the cooperative institution. If the existing cooperative law cannot be amended along the lines recommended, then a new parallel law along the suggested line should be passed to enable intending institutions to register under it. If this is done, the state can receive money, as per the recommendation of the vaidyanathan committee, to revive the existing cooperative credit institutions. From this, the extent to which the recommendations of the committee to revive the cooperative credit institutions have been carried out by these memoranda of understanding would become clear.

State-owned as well as private commercial banks are reluctant to extend credit to the large number of small farmers in the country as the banks find that the cost of extending credit to small farmers is turning out to be far greater than the interest the bank can earn from such loans. As a result, many commercial banks have begun extending credit through self-help groups and mainly through private microfinance institutions in rural areas. In addition, the union government is anxious to give legal status to such microfinance institutions.

From the above brief account, it should be clear that the government no longer appears to have great trust in the ability of cooperative credit institutions to directly provide loans to agriculture. There was some hope in the revival of cooperative credit institutions, if the Vaidyanathan Committee's recommendations had been fully accepted. That has not happened in effect. Added to this is the present write-off of loans. Consequently, over time, the cooperative credit institutions will remain only in name. As for commercial banks, instead of at least withdrawing the state-owned commercial banks from directly financing agriculture and handing over this task to local (district) level commercial banks, the policy now is to hand over this task to private microfinance institutions. What the consequence of the write off of loans will be on such credit institutions in the future remains to be seen.

That leaves the self-help groups. These small bodies were and are collecting regular savings from their members and advancing loans to the needy amongst them from such savings in order to meet their occasional expenses. But now one finds that in many states, banks are repeatedly going to self-help groups and suggesting to them that they can and should take loans up to almost four times their total savings and give these to their members and the state government will thereupon give an outright subsidy of up to Rs50,000 to such groups. Under such persuasion and pressure, it remains to be seen how long these self-help groups will be able to keep a sharp eye on not only their collection of savings but also the disbursement and repayment of loans to their members. Cooperative credit societies had been built precisely for this purpose. But, gradually, of the total loan advanced by the primary agricultural credit societies, four-fifths or more came from outside institutions – in the

language of the villagers, government funds and the rate of interest charged to the borrowers was often less than the rate of interest paid on term deposits by commercial banks. Consequently, the members of the cooperatives realised that they had little stake in these loans and therefore, did not see the necessity of careful supervision of the advance of loans as well as their recovery. There is legitimate ground to fear the same fate for self-help institutions. Since the bulk of the loans will be from outside institutions, there is a strong possibility of more demands for writing off loans in times to come.

## **What Can Be Done**

In the present system of organisation and operation of rural credit institutions, the not-too-distant consequence of the waiver of loans has been and will be the demise of the people's own credit institutions. Today nearly 85 percent of cultivators in India have less than two hectares of cultivated land, and they cultivate a little less than half the total cultivated area. Many commercial banks find it very expensive and difficult to advance them loans for agriculture, supervise utilisation and recovery. The NSSO survey of 2002 shows that the situation is gradually becoming similar to that of the moneylender-times of the past. There is reason to fear that this will become worse in the years to come. If these small farmers can form their own credit institutions and mainly with the help of their own savings supplemented by limited loans from banks, can manage to carefully supervise the sanction, utilisation and recovery of loans, there is a fair chance of the survival of their families and growth in their agriculture. This will not only teach them how to run their own institutions but also generate strength and confidence in their own ability. One reason for the inadequate progress in the direction of democratic values and institutions in our country is the old feudal attitude of depending on subvention from the superior. In order to be able to stand on one's feet, understand what is in one's best interest and proceed in that direction and understand if the different state institutions are doing the tasks properly in our interest, one must first have the experience of running one's own business as well as the collective enterprise of the group properly. That will train us to become proper citizens of a democratic polity. It is sad that our government, instead of passing laws to help form such institutions and enabling them run in the proper direction, is busy destroying them and making us suppliants as in feudal times. It is important for our government, political parties and the intellectuals to realise that what we are doing in order to help the people is in reality axing at the base of the people's effort to stand on their own feet.

## **Farmers' Suicide and Debt**

Someone who has read so far might think: you seem to be more worried about the demise of people's institutions and not about the suicide by poor farmers due to the unbearable burden of debt. In fact, I have not come across investigative reports into the real reasons for the suicides of farmers in different states during the last four or five years. Fortunately, I have just read an investigative report into the suicide by 116 sample farmers in the Vidarbha region of Maharashtra during 2004 by the Indira Gandhi research institute of development research. The report gives, in brief, the personal, family and landholdings accounts of every one of these 116 cases. From this, it appears that at most



41 of them (or 35 percent) and at the least 17 (or 15 percent) committed suicide due to loans taken for agriculture and were faced with re-sowing once or twice due to early failure of the rains. Twenty-four of these 41, that is, 20 percent, had of course taken loans for farming and were faced with the need to re-sow once or twice due to failure of the rains but they also incurred heavy loans for weddings or treatment for sickness. The remaining two-thirds (65 percent), of course, were under the burden of debt but that appeared to have little to do with agriculture. Some of them appeared to have spent the borrowed funds on liquor. Some others borrowed for weddings beyond their ability to repay and finally committed suicide. About a tenth of the sample cases appeared to be mentally imbalanced or suffering from a mental disorder and possibly committed suicide under its stress. Many others committed suicide due to family or unknown, unstated reasons. Some were landless agricultural labourers. The individual details show that they suffered from a debt burden but there is nothing to suggest that it had anything to do with agriculture.

Suicides due to loans taken for weddings or other family reasons are, of course suicides due to debt. But even if these can be or are written off, such waivers cannot be the solution to this problem.

Suicide due to debts incurred for family reasons is not new but writing off the debt cannot be the solution to this problem either. It is necessary to help farmers suffering due to bad weather, poor quality seeds or a fall in the price of the farm product in the market.

Farmers adversely affected by unfavourable weather and without crop insurance should be helped by writing off loans taken for the second or third sowing and the interest on the original loan and in case of crop failure in consecutive years, by a thorough waiver of the initial loans. The RBI, NABARD and the government should have institutional arrangements for this. While the government announces a minimum support price for many agricultural commodities, there is often no institutional arrangement to purchase the produce from farmers at the stated price. That must be provided. The sale of fake, unsuitable seeds and insecticides in many areas for particular crops should be stopped. The officers of the state's extension agency should repeatedly visit the villages to warn farmers against this; simultaneously, steps should be taken to prosecute and jail traders indulging in these practices. These cannot be achieved by writing off loans. There can be many ways of preventing and fighting these very sad cases of suicides, but it is a mistake to think that writing off loans at one go can be a single step solution. It will, of course, not lead to a decline in the number of cases of suicide. On the other hand, it would lead to a gradual demise of the people's own institutions like the cooperative credit societies and self-help groups. The only agencies left in the field will be the village moneylenders and their institutional brethren – the microfinance institutions.

It is true that the present massive writing off of agricultural loans will bring some relief to many farmers but no one appears to think about the long-term consequence of this. So, in the end I would like to draw the attention of the government, political parties as well as the concerned public to this fallout.

# Successful Reforms but Languishing Social Sector and Denied Resources: A Case of Orissa

*Pravas Mishra\**

Orissa comprising 4.74 per cent of India's land mass and with 36.71 million people (2001 census) accounts for 3.57 % of the population of the country. As per the latest estimate of the planning commission 47.15 per cent of the total people are below poverty line. The total backlog unemployment at the beginning of 2000-01 was 9.53 lakh as against that of 8.27 lakh in 1999-2000. In late nineties, Orissa experienced a major fiscal crisis due to number of socio-economic and political reasons. In 1999-00, Salary and pension expenses of government employees together constituted more than 180 percent of state's own revenue and nearly 80 percent of total state revenue. Adding principal and interest payment to it, the total amount exceeded the state's total revenue by Rs. 234 Cr., which constitutes 104 percent of state's total revenue. Looking into the fact, Govt. of India suggested for a Medium Term Fiscal Policy, followed by the recommendations of 12<sup>th</sup> Finance Commission to achieve certain monitorable fiscal indicators to be achieved by 2008-09 such as bringing Revenue Deficit to zero, Fiscal Deficit to below 3% of GSDP by 2008-09, the debt stock down to 28% of GSDP and the interest payment as a percentage of revenue receipt to 15% by 2009-10.

This paper tries to assess the macro level achievements through fiscal corrections contrary to the response towards the social sectors in terms of financial allocations and spending through state budget. More specifically, this paper has undertaken an analysis of the financial allocation towards education, health and agriculture of the state. Allocation towards the specific needs of health and education has been discussed in detail to trace the priorities of the state budget during the reform period.

## **Fiscal indicators of the state during pre and post FRBM**

It is evident from the table given below that the state has achieved revenue surplus in 2005-06 after a long gap of 22 years. The surplus status continued till 2008-09 and in 2009-10, the state is

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again in the revenue deficit of 1.68 percent of GSDP. Similarly, Fiscal deficit declined to 3.54 and increased to 5.52 percent of GSDP in 2009-10(BE). In terms of allocation towards plan expenditure it is observed that it has not grown sufficiently in compared to the period when the state was in fiscal crisis. Similarly, 10.23 percent of the state budget is being allocated towards capital expenditure. Total debt of the state during 2008-09: Rs. 43654.31Cr. (32.19 percent of GSDP) which more than 28 percent as stipulated by the 12<sup>th</sup> Finance Commission.

Thus, above figures imply that every effort have been taken by the state to achieve the indicators stipulated by the FRBM. Till 2008-09, the state was successful in achieving the targets at the macro level indicators whereas during 2009-10(BE) the state again witnessed deficit indicators.

**Table 1: Fiscal indicators of Orissa from 1999-00 to 2009-10 BE**

Items	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 RE	2009-10 BE
Total Expenditure Without WMA	10209.66	11047.37	12068.5	13266.61	15564.99	15885.8	15746.36	19345.99	22543.72	31377.28	36026.27
GSDP at Current Prices	42910	43493	46946	50223	61422	71428	78953	93374	106466	122165	135603
Plan Expenditure	2671.3	2910.6	2776.78	2789.19	3954.52	3011.28	3075.87	4204.8	6745.27	9136	9741.31
% of the TSE	26.16	26.35	23.01	21.02	25.41	18.96	19.53	21.73	29.92	29.12	27.04
Capital Expenditure	889.01	834.09	886.77	1074.07	852.95	1055.55	1038.06	1313.10	2542.80	3466.20	3684.78
% of the TSE	8.71	7.55	7.35	8.10	5.48	6.64	6.59	6.79	11.28	11.05	10.23
Total Debt Stock	18100.8	21001.9	24033.73	27801.19	31633.96	34051.18	36456.45	37249.51	36311.61	39195.07	43654.31
% of GSDP	42.18	48.29	51.19	55.36	51.50	47.67	46.17	39.89	34.11	32.08	32.19
Fiscal Deficit without W&MA Adv and OD	-4222.21	-4068.76	-4888.86	-4650.65	-5851.68	-3618.66	-1314.04	-1027.55	-221.23	-4318.64	-7486.09
% of the GSDP	-9.84	-9.35	-10.41	-9.26	-9.53	-5.07	-1.66	-1.10	-0.21	-3.54	-5.52
Revenue Deficit	-2573.87	-1931.96	-2833.75	-1575.91	-1420.92	-522.3	481.2	2260.6	4243.92	1001.95	-2284.06
% of GSDP	-6.00	-4.44	-6.04	-3.14	-2.31	-0.73	0.61	2.42	3.99	0.82	-1.68

Source: Budget At a glance (various years), Orissa

## Budget for Health and Family Welfare in Orissa

The status of the health situation in revolves around number of issues which manifests lower status of health development indicators. The Infant mortality rate is 75 contrary to 58 in India. With regard to this, the state is in 2<sup>nd</sup> position next to Madhya Pradesh (76). (*Budget at a glance 2007-08*). Studies also show that in Orissa the disease burden being high, communicable, pregnancy-related, and childhood ailments account for about 65 per cent of the diseases. (*State health system in Orissa*)

by Meena Gupta, 2002). State health statistics shows that doctor population ratio during 2001 in Orissa was 1:7462 and that of India was 1:1916 and bed population ratio during 2001 in Orissa was 1:2663 and that of India it was 1:1451. Population per medical institution in 2001 was 1:21679.

As per the Indian Public Health Standard (IPHS), there is a requirement of one Community Health Center (CHC) for 120000 rural people where as at present one CHC in the state is serving 135443 rural people. There is also requirement of One CHC for 4 PHCs. Thus the requirement is 291 but there are 231 CHCs in the state. There are 13 beds available per PHC in the state contrary to 30 as spelt in the IPHS. This shows the status of health infrastructures in the state is lagging behind the normative requirements.

**Table 2: Health facilities in Orissa**

Year	Hospitals	PHCs	CHC	Mobile Health Units	No of Beds	Area under one health inst. (in Sq. Km)	No of health inst per lakh population	No of beds per lakh population
2001-02	180	1343	158	14	14430	58.21	7	39
2002-03	180	1343	158	14	14550	57.91	7	39
2003-04	174	1282	231	14	14370	54.16	8	38
2004-05	174	1282	231	14	14370	54.10	7	37
2005-06	179	1280	231	14	14370	54.16	7	37
2006-07	177	1279	231	14	14370	54.16	7	36
2008-09	178	1278	231	14	14370	54.16	7	37

Source: Orissa Budget at a glance 2008-09

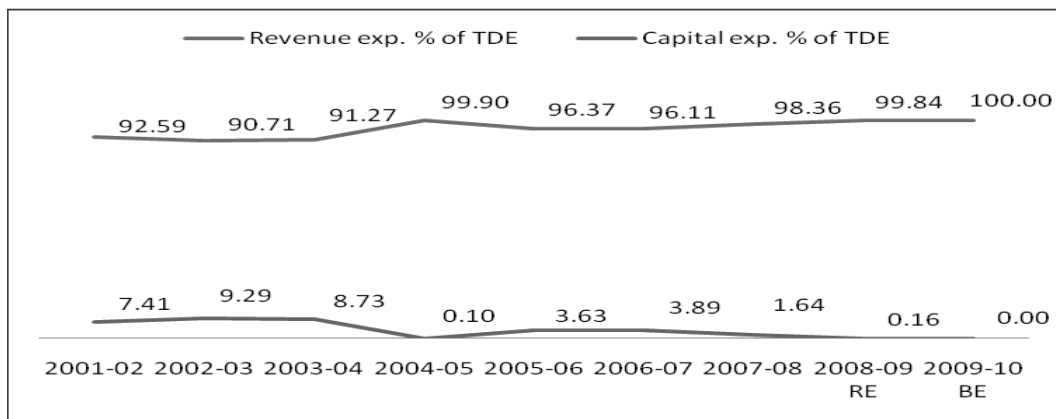
The overall budget allocations for the health and family welfare department shows that total departmental expenditure was Rs. 472.86 Cr. during 2001-02 which was 1 percent of GSDP and 3.92 percent of the total state expenditure. However, it declined to Rs 715.31 crore in 2007-08 which is 0.67 percent of GSDP and 3.13 percent of total state expenditure. In 2009-10(BE), there is no significant increment in the share of health expenditure as it constitutes 1.18 of GSDP and 4.87 percent of state expenditure which is very less to meet the targeted health indicators under Millennium Development Goal (MDG).

**Figure 1: Trend of Expenditure of Health and Family Welfare in Orissa**



Looking into the status of health infrastructures in the state it is clear that more expenditure on capital items can enable the citizens to meet the health requirements of rural Orissa. The trend of allocation over the last 9 years shows that it has been decreasing. The year 2009-10 has no capital expenditure estimated for the department of health and family welfare. While it was around 4 percent during 2006-07, it declined to very negligible proportion i.e. 0.16 percent in 2008-09(RE).

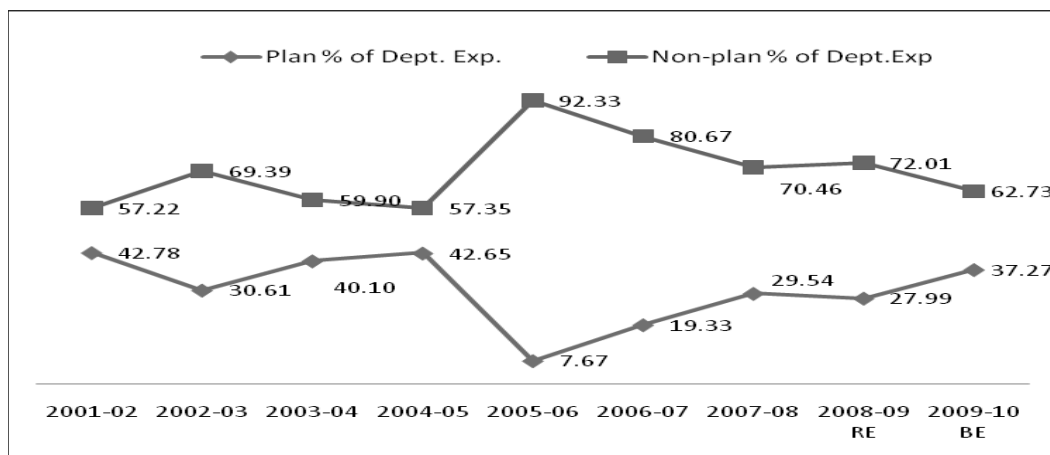
**Figure 2: Revenue/Capital Expenditure in Health and Family Welfare Department of Orissa**



The allocation towards plan expenditure, which was 42 percent during 2001-02 and it decreased to 37 percent during 2009-10. Similarly, the non-plan expenditure percent was 57 percent during 2001-02. It is 62 percent during 2009-10. This shows that no significant effort has been undertaken by the state to introduce and plan for the new schemes under the state budget. Though there is also another chunk of the fund with the state under off -budget, the question of sustainability and

state's responsibility in prioritizing its expenditures might not be resolved though over dependence on the external funds.

**Figure 3: Plan/Non-plan expenditure in Health and Family Welfare Department of Orissa**



## Expenditure on direct inputs of Health

Supply free medicines to the rural poor in the health institutions can meet the requirements of the rural people. This can also be beneficial to the people living in inaccessible areas. Recently, the state witnessed the spread of Cholera in the interior villages of Kalahandi district. This justifies the need for that adequate medicine and other facilities at the ground level health institutions to attend such critical hours.

Budget allocations and expenditures on items like medicines, diets and bedding, clothing and linen for the last five years do not show any encouraging picture. These expenditures directly benefit the patients coming to different health centers. Poor people who have no financial capacity to meet the needs of medicine, state's provision to supply free medicine is certainly helpful for them. The allocation for medicine was decreased from 4.67 % of total department expenditure in 2005-06 to 1.61 percent in 2009-10. Though there is increase in absolute amount for the aforesaid purpose, as a share of the total health expenditure it shows declining feature. Similarly, the allocations for bedding, clothing and linen as a percentage of the total department expenditure also declined to 0.004 in 2009-10 from 1.12 in 2005-06. Looking into the growing health needs of the rural population, the number of beds in the health center needs to be increased and accordingly financial allocations need to be made. But it is evident from the following table that the allocation for this head has been decreasing over the last five years. Negligence on the part of the govt. is clearly visible in the following table.

**Table 3: Expenditure for the direct needs under the Health Department of Orissa**

Year/Heads	2005-06	2006-07	2007-08	2008-09 RE	2009-10 BE
Bedding, Clothing and Linen	4.96	1.28	0.06	0.06	0.06
	1.12	0.22	0.01	0.01	0.004
Diet	3.06	3.05	3.72	7.29	7.21
	0.69	0.52	0.52	0.61	0.45
Medicine	20.77	14.71	18.42	32.13	25.73
	4.67	2.49	2.58	2.71	1.61
Total Department	444.59	590.55	715.31	1186.33	1596.05

**Source:** Demand for grants in different years, Govt. of Orissa

\*Figures in italics shows percent of the total department expenditure

Allocation towards above specific inputs per health institution gives an impression of sheer negligence of the state to take care of the health at the ground level. The annual financial provision for diet per health institution during 2009-10 is Rs.25078, per day it is less than Rs. 70 which is not adequate to meet the needs of the patients coming to the health centers. Similarly, medicine expenditure per medical institution per annum is at Rs. 87409 (Rs. 300(approx.) per day) which is again looks very negligible amount to meet the medicine requirement of the poor.

**Table 5: Expenditure on Inputs of Health per health institution**

Year	Bedding, Clothing, linen		Diet		Medicine	
	Total Budget (In Lakhs)	Per medical inst.	Total Budget (In Lakhs)	Per medical inst.	Total Budget (In Lakhs)	Per medical inst.
2001-02	50	1869	214	8000	1038	38804
2002-03	41	1525	272	10115	834	31015
2003-04	32	1113	225	7826	1091	37948
2004-05	56	1948	227	7896	1628	56626
2005-06	490	17043	306	10643	2077	72243
2006-07	128	4452	305	10609	1471	51165
2007-08	6	209	372	12939	1842	64070
2008-09RE	6	209	729	25357	3213	111757
2009-10BE	6	209	721	25078	2513	87409

**Source:** Demand for grants in different years, Govt. of Orissa

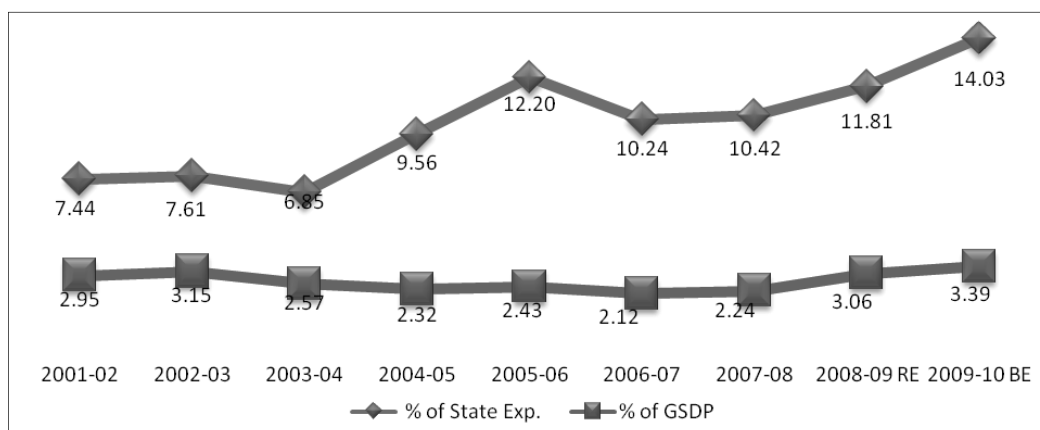
\*\*Includes allopathic, ayurvedic as well as homeopathic institutions

## Budget for the School and Mass Education

Access to quality education by the every child is another indicator of human development. In this regard, the state is also lagging behind in achieving required targets. The state still ranks 24th among 35 states/UTs in terms of the literacy rates and Gender gap in literacy rate remains a major concern. A study made by the Education watch group in Orissa shows that half of the schools are in poor condition, lack safety for children. No toilets particularly no separate toilets for girls in 73 percent of schools (Orissa education watch 2006). The report also highlighted that there is Lack of basic facilities for disabled children, school boundaries, electrification, safe drinking water etc. Comptroller Auditor General of India confirms with the findings that out of 48,490 schools including UP schools in the state, there is no facility of drinking water in 2,668 schools, toilets in 31,131 schools, electricity in 41,205 numbers of schools and boundary wall to the extent of 20,831 numbers of schools. (CAG, Civil 2006). Further, it is also said that pupil teacher ratio is higher than the prescribed norm of 40:1 in 17 out of 30 districts. (CAG, civil 2006).

Budget for the school and mass education constitute 14 percent of the Total State Expenditure Budgeted for the year 2009-10(BE). In compared to the year 2006-07(Actual), there is 4 percent increase in the share in the state's expenditure for the school and mass education. In 2009-10, the allocation for the school and mass education constitutes 3.39 percent of Gross State Domestic Product (GSDP). The significant increase in the total budget for the school and mass education during the last two years(2008-09, 2009-10) is due to hike in the salary (sixth pay commission). Thus, out of increased amount of Rs.1354 cr. During 2008-09 and Rs. 866 cr. in 2009-10, the salary amount constitute to the amount of Rs. 1258Cr in 2008-09 and Rs. 718 Cr. In 2009-10.The following diagram shows the trend of the expenditure on schools and mass education for the last 9 years. In terms of rise in overall expenditure, the picture is quite encouraging while it bears different impression if we look into the pattern of budgetary provision for specific inputs which are directly responsible in enhancing the quality education.

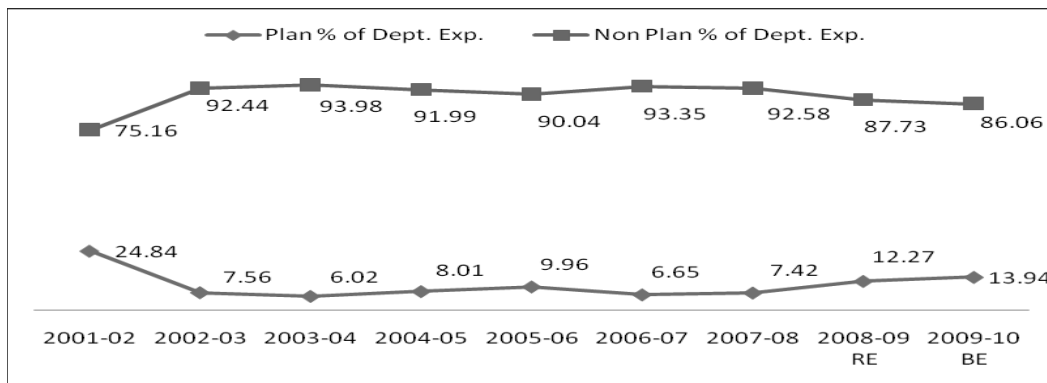
**Figure 4: Trend of state spending on School and Mass Education Department of Orissa**



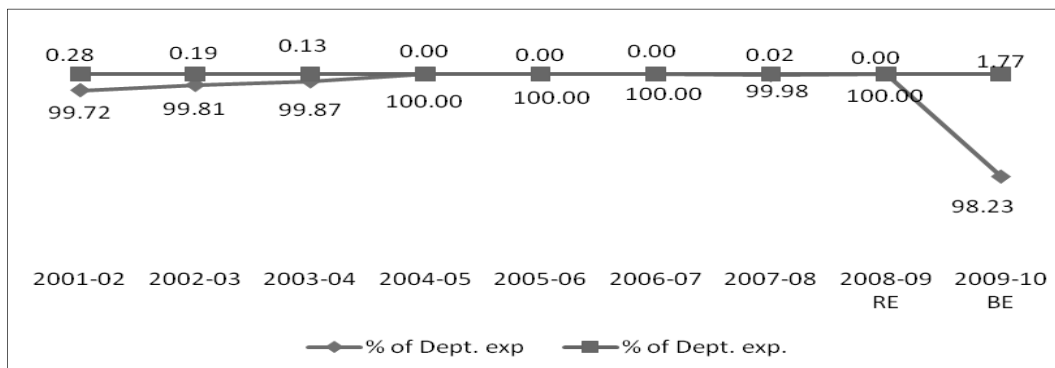


There is rise in the plan expenditure observed which shows a good trend in the budgetary allocation for the school and mass education department. Though, in compared to the year 2001-02, there is decrease in the plan component, in recent years there is rise in the percent of the plan expenditure for the department. As regards to the non-plan, there is decrease in the expenditure from 92 percent in 2007-08 to 86.06 percent in 2009-10BE.

**Figure 5: Plan and Non-Plan expenditure in School and Mass Education in Orissa**



**Figure 6: Revenue and Capital expenditure in School and Mass Education in Orissa**

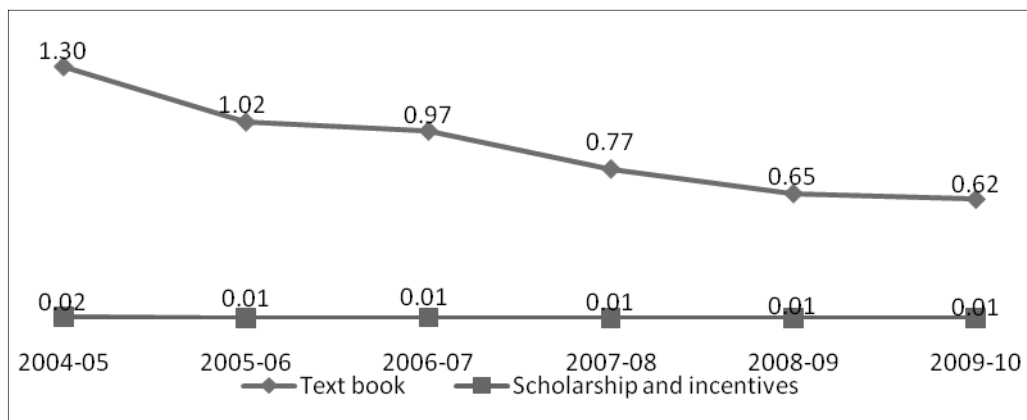


Expenditures on capital items can enhance the quality of the infrastructures in schools. This can also enable the schools to procure educational equipments for the students. Looking into the budget allocation for capital items under the school and mass education, it is observed that there were no allocations during 2004-05 to 2006-07. There were very negligible allocation as a percentage of the total expenditure for the school and mass education during 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 and 2007-08. During 2009-10(BE) it is 1.77 percent of the total department budget.

## Budget for the specific purpose in elementary education

Though there is significant increase in the overall expenditure in the school and mass education department which is responsible for the development of elementary as well as secondary education, it is pertinent to look into the budget allocation for the specific heads such as text book, scholarship and others.

**Figure 7: Expenditure for the text book and scholarship in elementary education**



There is increase in the absolute amount of the allocation towards the text book in elementary education. But as a percentage of the total elementary budget it is decreased for the last many years. There was 1.30 percent of the elementary education budget was spent for the text book where as during the year 2009-10, it is 0.62 percent. The proportion of scholarship and incentives is constant for the last five years. During 2004-05, it was 0.02 percent of the elementary education budget and It came down to 0.01 percent which is still at there during 2009-10. Thus priority is not given to this while allocating the budget of the elementary education. On the other hand the per capita allocation for text book and scholarship is not adequate to meet the requirements of the students. it is found that per capita state budget allocation for the text book was Rs.22 in 2004-05 which is estimated at Rs.25 in 2009-10. In 2007-08, the actual expenditure was Rs.19. This shows meager allocation for these two important heads which are key elements for the poor students to take part in the education.

**Table 6: Per capita allocation on text book and scholarship in elementary education**

Year	No of students (in crores)*	Text book budget (in Rs. Crs)	Per student budget for text book (In Rs.)	Scholarship and incentives (in Rs. Crs)	Per student budget for scholarship** (In Rs.)
2004-05	0.66	14.66	22.22	0.20	0.76
2005-06	0.58	12.78	21.94	0.15	0.67

2006-07	0.63	13.02	20.66	0.18	0.72
2007-08	0.65	12.73	19.51	0.20	0.79
2008-09	0.67	15.83	23.46	0.26	1.00
2009-10	0.70	17.85	25.59	0.26	0.97

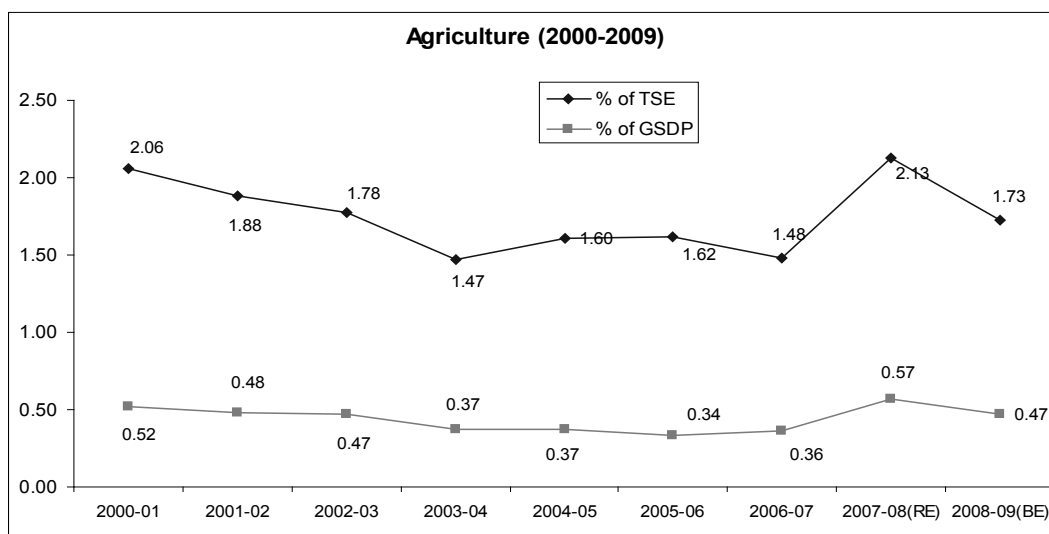
\*No of students for the year 2008-09, 2009-10 are approximately calculated by taking the growth rate of the enrollment in the previous years

\*\*only poor students are taken by taking 39 percent (poverty rate) of the total students

## **Budget for Agriculture**

The state also makes investment in agriculture with an objective to ensure sustainable livelihood of the rural population as well as for the overall development of the state. Though agriculture is the predominant occupation of the state's population it suffers from Low growth rate i.e. less than 2 percent. Decline in the per hectore productivity of food grain (1.20mt in 1995-96 to 0.71 in 2002-03), Low marketable surplus leading to less commercialisation of agriculture (Only 12 percent in rice and – 14 percent in oilseed) also hinders the progress of the agriculture as well as state development efforts. As 83.8 percent of total landholder are marginal and small farmer and possess 33 percent of total land holding as per Orissa agricultural census 2001, negative factors related to the agricultural sector directly affects major chunk of the state's population. But the sector witness Increase input costs and lower agriculture commodity prices, Poor irrigation facilities and other agricultural support, absence of proper marketing, credit and insurance support. Decrease in per capita availability of cultivated land (0.39ha. in 1950-51 to 0.14 ha. in 2004-05) and Conversion of agricultural and forest land into non-agriculture purpose (Total of 272.74sq. Km for 247 projects during 1980-2003) are also other key obstacles for the development of agriculture. Apart from those, frequent occurrence of natural calamities in the state distorts the agricultural and rural economy of the state.

The Budget allocation on agriculture department as a share of total state expenditure a stagnant since 2005-06 to 2008-09. In 2008-09 it is 1.73 percent of the total state expenditure where as it was 2.06 percent in 2000-01. Further, as a percentage of GSDP, investment in agriculture was 0.32 percent in 2005-06 and slightly increased to 0.42 percent in 2008-09 BE. This is lower in comparison to the share in 2000-01. This also shows negligence by the state in allocating resources for the development of agriculture. The state in its policy 1996, has spelt number of indicators which are still to be achieved and also the recent 11th plan document specifies monitorable indicators for agriculture which are apprehended for non-achievement without due resource allocation.

**Figure 8: Trend of state spending on Agriculture Department of Orissa**

It is pertinent to say that there are number of socio-economic indicators are targeted by the state as well as the country through five year plans and common minimum programmes. Similar declarations were also made at the international level through Millennium Development Goal (MDG). Repeated declarations and agreements at different level can be achieved through judicious resource allocations and spending on the priority sectors of development which will enhance the quality of life of the citizens. Over the years the state has tried to stabilize its fiscal indicators in order to fulfill the recommendations made by the finance commission as well as Govt. of India. It shows only contraction of expenditures on the above discussed critical development areas was one of the strategic priorities of the state. To conclude, the state needs to provide adequate effort through allocating resources to achieve qualitative improvement in the different components of the social development.

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# In Defence of Labour Rights: Budget Analysis, Labour Rights and Policy Change

*Mahender Jethmalani and Pathey*

**T**he national/state budget is a document that, once approved by the legislature, authorises the government to raise revenues, incur debts and effect expenditures in order to achieve certain goals.

Since the budget determines the origin and application of public financial resources, it plays a central role in the process of government, fulfilling political, economic, social, legal and administrative functions.

The process of allocation of resources to different institutions and purposes is essentially a political, rather than purely technocratic one. Any attempt to address content of budget allocation without looking at political process is therefore unlikely to be helpful;

It should never be automatically assumed that allocations translate accurately into spending. What money actually gets spent by whom, on what items and for what purpose is often determined during the process of budget execution.

There is the connection between the theory and practice of human rights and that of public expenditure, integrating a rights perspective with a good understanding of the mechanics and politics of public expenditure management has potential for advancing understanding of the key question of how a pro-poor focus can be encouraged and fostered in the mainstream of public policy.

Pathey has been in budget analysis and advocacy work with rights base perspective has been engaging with elected members during the state's assembly's budget session by providing them regular budget write ups in advance to facilitate the elected members to understand and utilise the data in the budget discussions. As our sharing budget information with elected members plays complimentary role "We provide them (elected members) budget and policy information along with our concerns and grass root realities and they discuss in the assembly house". Thus our issues get representations, serious discussion by legislatures and advocacy for state's response and policy influence. The present write up is about budget analysis of Department of Labour and Employment, Gujarat state 2008-09. The write up was distributed to elected members one day before the actual discussion to take place in Assembly house.

The advance distribution of budget note showed keen interest among the elected members and one of the senior leaders from opposition party (who was supposed to participate in budget discussion) walked down to Pathey's office to get more information on issues of agriculture labourers and implementation of NREGS in Gujarat. We provided details information on low minimum wages of agricultural labourers and tardy implementation of NREGS, besides other issues concerning to workers of unorganised sector.

The issues of agricultural workers' minimum wages, NREGS and construction workers got highlighted in the house, the strong demand for hiking of minimum wages was positively responded and the state government issue notification in July, 2008 increasing the minimum wages to Rs.100/-.

Working with Parliamentarians has often proved effective, as they generally lack, but are in a position to use, adequate data and analysis. The role of civil society organisations in bringing pressure for change is critical.

#### **Demand No.57\***

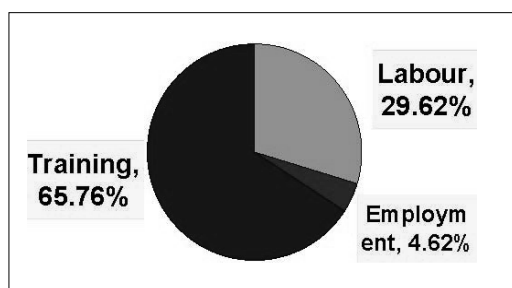
**For the discussion of Department "Labour and Employment Dt 11/3/2008 Budget Book publication No.15 Page No 3 to 65**

## **Discussion of Labour & Employment Department's Budget Demands**

The State Government under the demand No 57 for provision of services of Department of Labour & Employment has proposed revenue expenditure of Rs. 202 crores 56 lakhs and 6 thousand for the year 2008/09. The State Government had incurred expenditure of Rs. 128 crores 11 lakhs and 86 thousand in year 2006/07. The revised estimate (2007/08) for the said department was Rs.152 crores 7 lakhs and 48 thousand. Thus, the State Government has proposed an increase of 58.01% in expenditure for year 2008/09 with respect to expenditure in year 2006/07.

SN.	Sub-major head	Budget Expenditure 2006/07 Rs	Revised estimate of 2007/08 Rs.	Budget estimate 2008/09 Rs.	% of year 2008/09
1	Labour	25 Crore 23 Lakh 20 Thousand (25,23,20000)	31 Crore 44 Lakh 61 Thousand (31,44,61000)	60 Crore 57 thousand (60,00,57000)	29.62%
2	Employment	8 crores 8 lakhs 77 thousands (8 08 77000)	8 crores 48 lakhs 36 thousands (8,48,36000)	9 crores 34 lakhs 78 thousands (9,34,78000)	4.62%
3	Training	94 crores 78 lakhs 89 thousands (94,78,89000)	112 crores 14 lakhs 51 thousands (112,14,51000)	133 crores 20 lakhs 71 thousands (133,20,71000)	65.76%
	<b>Total Budget</b>	<b>128 crores 11 lakhs 86 thousands (128,11,86000)</b>	<b>152 crores 7 lakhs 48 thousands (152,07,48000)</b>	<b>202 crores 56 lakhs 6 thousands (202,56,06000)</b>	<b>100%</b>

For providing the services under the major head No. 2230 Labour and Employment, the budget estimate for enforcement of labour laws is proposed Rs. 60 crores 57 lakhs and 57 thousand, which is 29.62% out of total proposed revenue expenditure of the department. The budget estimate for employment generation is Rs. 9 crores 34 lakhs and 78 thousands (4.62%). Where as the major portion of proposed budget is allocated for Training and skill development through ITI (Industrial Training Institute), which is Rs. 133 crores 20 lakhs and 71 thousands (65.76%).



**State’s Labour enforcement services’ to get budget allocation of Rs.60 crores\***

**“State has 57 lakhs agricultural labourers out of total 195 lakhs un-organised workers.”**

Minor-head	2006/07 Budget Expenditure Rs.	2007/08 RE Rs.	2008/09 Budget Estimate Rs.	% of BE 2008/09
Direction & Administration	3,25,87000	4,12,63000	5,01,52000	8.36%
Research and statistics	56,93000	41,10000	43,97000	0.73%
Industrial Relations	3,82,83000	3,72,10000	3,36,07000	5.60%
Working conditions and Safety	5,96,96000	6,65,81000	9,54,77000	15.91%
General labour welfare	5,28,07000	5,95,23000	5,74,33000	9.57%
Social security of labourers	4,13,93000	7,93,74000	32,70,91000	54.51%
Rehabilitation of bonded labourers	16,00,000	1,00,000	1,00,000	0.02%
Other expenses	2,02,61000	2,63,00000	3,18,00000	5.30%
<b>Total Labour</b>	<b>25,23,20000</b>	<b>31,44,61000</b>	<b>60,00,57000</b>	<b>100%</b>

Dept of Labour and Employment Gujarat state, 2008/09

The State Government has proposed budget estimate of Rs.5 crores, 1 lakhs and 52 thousand for the year 2008/09 under the Sub–major- head –Labour. Out of which, Rs. 4 crores, 52 lakhs and 11 thousand amount’s revenue expenditure has been earmarked for the Labour commissionerate

and Rs. 49 lakhs 41 thousand amount's revenue expenditure for Rural Labour Commissionerate (RLC) respectively, RLC is responsible for implementing minimum wage act for all rural workers including agricultural labourers .

**Industrial Relations:** Under the minor head Industrial Relations, (Enforcement of 1-Contract labour act: 2- Minimum wage act; 3-Bonus act;4-Bidi and Cigar workers' (Regulation of employment) act and 5- Payment of Gratuity act), Rs. 3 crores 36 lakhs and 7 thousand's amount BE has been proposed (2008/09) for enforcement of above cited acts. These acts are applicable to industrial workers organised and unorganised like workers engaged in forestry, construction, brick kiln, mines, even engaged by the government's departments on daily wages .

**Safety at work sites:** under the sub head LBR-10 –prevention of accidents and safety at work sites, Rs. 1 crore 5 lakhs and 95 thousand amount was spent in year 2006-07 and budget estimate for the year 2008/09 has been proposed Rs. 2 crores 58 lakhs and 45 thousand putting emphasis for prevention of accidents. The reality is shown in the following table, in the state an average 12.70 accidents occurred (fatalistic and Non fatalistic) per day in the state in the last three years. The accidents occurred in factories, construction work sites and chemical factories and other industrial places.

## Average 12.70 accidents per day occurred in last 3 years

**535 fatalistic and 13367 non-fatalistic accidents occurred in the state.**

Year	Fatal accidents	Non-fatal accidents	Total accidents
2005-06	185	5574	5759
2006-07	161	4642	4803
2007-08	189	3151	3404
Total	535	13367	13902

The state's Industrial Safety and Health Directorate has registered total 13902 accidents in last three years, the number of fatalistic accidents was 535 and Non fatalistic accident was 13367. The accidents were registered as per the factories act.

**Construction workers:** The State Government has proposed to create recruitment of 25 posts for enforcement of provision of Building and Other construction act under the Directorate of Industrial Safety and Health, for which Budget estimate of amount Rs.41lakhs and 54 thousand has been proposed.

**General Labour welfare:** The meager amount of Rs.5 lakhs and 61 thousand proposed for enforcement of Child Labour Abolishment Act. How far it is possible to stop child labour?.



Sr. No.	Sub-Head	Year 2006/07 expenditure Rs.	Year 2007/08 Revised Estimate Rs.	Year 2008/09 Budget estimate Rs.
1	Enforcement of Interstate migrant workers act	2 lakhs 89 thousand (2,89000 )	0	0
2	Protection of un-organised rural workers	3 crores 1 lakh 52 thousands (3,01,52000 )	3 crores 80 lakhs (3,80,00000 )	3 crores 34 lakhs 95 thousands (3,34,95000 )
3	Social security to un-organised workers in urban sector	0	0	14 lakhs 70 thousands (14,70000 )
4	Gujarat Labour welfare Board	1 crore 50 lakhs (1,50,00000 )	1 crore 50 lakhs (1,50,00000 )	1 crore 75 lakhs (1,75,00000 )
5	Rural Labour welfare Board	60 lakhs 78 thousand (60,78000 )	60 lakhs 43 thousand (60,43000 )	44 lakhs 2 thousand (44,02000)
6	Welfare of <i>Beedi</i> worker	7 lakhs 80 thousand (7,80000 )	0	5 thousand (5000 )
7	Implementation of Abolishment of Child Labour Act	5 lakhs 8 thousand (5,08000 )	4 lakhs 80 thousand (4,80000 )	5 lakhs 61 thousand (5,61000)
	Total General Labour Welfare	5 crores 28 lakh 7 thousands (5,28, 07000 )	5 crores 95 lakh 23 thousands (5,95,23000 )	5 crores 74 lakh 33 thousands (5,74,33000 )

Under the sub head- General Labour Welfare for protection and welfare of workers of unorganised sectors, out of which the agricultural workers consist of larger chunk. As per the census data of year 2001, the total number of workers of unorganised sector in Gujarat state is 195 lakhs and the number of agricultural workers is around 57 lakhs in Gujarat state. The State Government had only incurred revenue expenditure of Rs 3 crores 1 lakh and 52 thousand in year 2006/07 and budget estimate for the same for the year 2008-09 proposed is Rs. 3 crores 34 lakhs and 95 thousand. It is regrettably a noticeable matter that the State Government has not cared to revise the minimum wages of the agricultural labourers, which is presently Rs. 50/ day. The minimum wages were revised in April, 2002 {( Rate was revised to Rs. 50 from Rs.34/-(last revised in year 1996)}. In last six year commodities prices have increased but the wages for agricultural labourers have not been revised and the wages are less compared to other states as given in Annexure.

The budget estimates (2008/09) for Rural Labour Welfare suggest decline of Rs. 16 lakhs and 76 thousand. An amount of Rs. 60 lakhs 78 thousand was spent on revenue expenditure for providing the services of Rural Labour welfare Board.

Budget for welfare of Bidi kamdar slashed to Rs.5000/- (2008/09) from Rs. 7 lakhs and 80 thousand (2006/07).

**Social security of workers:** “Reduction of 41% budget expenditure (2008/09) for the activities of Construction Workers’ Welfare Board suggested on the other hand the amount of levy Cess collection for “Construction Workers’ Welfare Board” has reached to Rs.66 crores till December 2007.”

Sr.	Sub- head	2006/07 Actual Rs.	2007/08 Revised Estimate Rs.	2008/09 Budget Estimate Rs.	% Change from RE (2007/08) to BE(2008/09)
1	Social security for Rural Workers	3 crores 85 lakhs 4 thousand (3,85,04000 )	4 crores 58 lakhs 45 thousand (4,58,45000 )	4 crores 29 lakhs 22 thousand 4, (29,22000 )	-6.27
2	Welfare activities for Salt workers	28 Lakhs 89 thousand (28,89000)	30 Lakhs 94 thousand 30, (94000)	26 Lakhs 7 thousand (26,07000)	-15.74
3	Activities of Gujarat Building and other construction workers’ welfare Board	0	3 crores 04 lakhs 35 thousand 3,04,35000	1 crores 77 lakhs 45 thousand 1,77, 45000	-41.70
4	State component for BPL workers of unorganised workers’ for Insurance (Central sponsored)	0	0	4 crores 58 lakhs 45 thousand (4,58,45000 )	-
<b>Total</b>		<b>4 crore 13 lakhs 93 thousand</b>	<b>7 crores, 93 lakhs, 74 thousand</b>	<b>32 crores, 70 lakhs 91 thousand</b>	
		<b>4,13,93000</b>	<b>7,93,74000</b>	<b>32,70,91000</b>	

## The Enforcement of Construction and Building workers Cess Collection Act, 1996

The Directorate of Industrial Safety and Health has been entrusted to implement the Cess Collection Act from June, 2006. During the year 2007, the Directorate conducted 1466 construction site inspections and received applications for registration from 478 construction firms and organisations. Around 576 firms were issued notices for non-registration, 96 civil suits were filed against the firms for non-compliances (registration and non payment of cess) as per act. The Directorate has collected amount of Rs.66 crores’ cess from the building and construction companies.

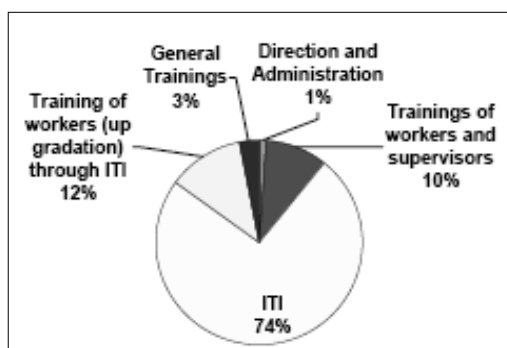
**New Budgetary Item:** The State Government has made Budgetary allocation of Rs.26 crores 38 lakhs and 17 thousands for providing health insurance to the BPL workers of unorganised sector, the scheme is sponsored (75%) by the Central Government and the state has to contribute 25%, for which the state has made budget allocation under the new item. The scheme envisaged benefits like

health insurance coverage to five members of family with monetary assistance of Rs. 30000/-. The premium per family is Rs 750/- to be shared by Central and State Government by ratio of 75% to 25% respectively. Besides the Central Government will bear the cost of smart card, the beneficiary has to pay Rs.30/- to be subscriber of the health insurance scheme. The State Government intends to cover workers in Jamnagar, Patan, Dahod, Bharuch and Kutch districts in first Phase and gradually all districts will be covered by year 2012-13.

**\* The State Government has increased the budget allocation by Rs. 28 crores for Industrial Training (under the Sub Major Head Training) in last three years**

Sr.	Sub -Heads	2006-07 Actual Rs.	2007-08 Revised Estimates Rs.	2008-09 Budget Estimate Rs.
1	Direction and Administration	95 Lakhs 81 thousands (9581000)	1 Crores 15 lakhs 82 thousands (11582000)	1 Crores 37 lakhs 26 thousands (13726000)
2	Trainings of workers and supervisors	11 crores 77 Lakhs 37 thousands (117737000)	13 crores 24 Lakhs 88 thousands (132488000)	13 crores 13 Lakhs 26 thousand (131326000)
3	ITI	70 crores 20 Lakhs 38 thousands (702038000)	80 crores 34 Lakhs 97 thousands (803497000)	98 crores 85 Lakhs 71 thousands (988571000)
4	Training of workers (up gradation) through ITI	7 crores 87 Lakhs 48 thousands (78748000)	13 crores 48 Lakhs 84 thousands (134884000)	16 crores 1 Lakhs 75 thousands (160175000)
5	General Trainings	3 crores 98 Lakhs 85 thousands (39885000)	3 crores 90 Lakhs 37 thousands (39000000)	3 crores 92 Lakhs 73 thousands (39273000)
	<b>Total Employment</b>	<b>94 crores 79 Lakhs 89 thousands (947989000)</b>	<b>112 crores 14 Lakhs 51 thousands (1121451000)</b>	<b>133 crores 20 Lakhs 71 thousands (1332071000)</b>

**Training: Distribution of Budget Estimates, 2008-09 BE**

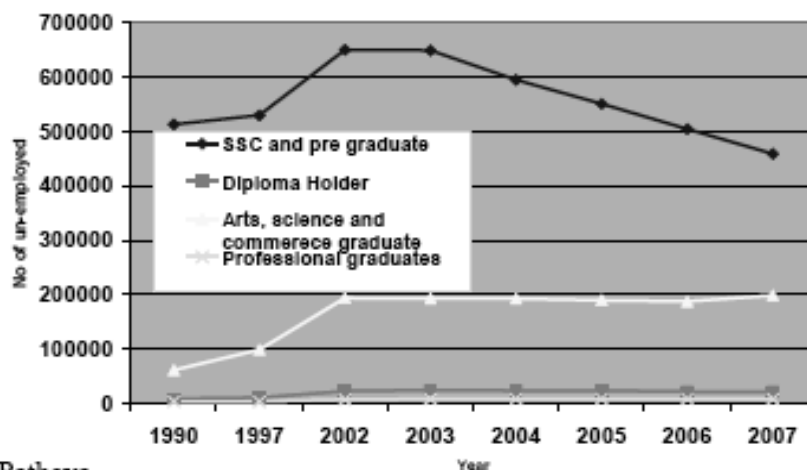


**\* Status of un-employment in the Gujarat state.**

**No of graduate un-employed youth is increasing**

S.No	Type	1990	1997	2002	2003	2004	2005	2006	2007
1	SSC and pre graduate	513000	530000	650000	649000	595000	551000	505000	459000
2	Diploma Holder	9000	11000	23000	25000	24000	24000	22000	22000
3	Arts, Science and Commerce Graduate	62000	99000	194000	193000	193000	190000	188000	199000
4	Professional Graduates	4000	4000	8000	9000	9000	9000	9000	9000
5	Total	588000	644000	875000	876000	821000	774000	724000	689000
	SSC and below	366000	281000	195000	171000	143000	126000	106000	89000
	Grand Total	954000	925000	1070000	1047000	964000	900000	830000	778000

**State of unemployed in Gujarat state**



Patheya

The data shows that the en- employment among the graduates has increased. The total number of un-employed graduates (in Arts, Science and Commerce) was 62000, in year 1990 and it was 99000 in year 1997 and the number of un-employed graduate reached to 193000 in year 2002. The number of Graduate unemployed was 199000 in year 2007, although the unemployment among SSC (10 pass) and below SSC has declined considerably.

**Army Recruitment Fair:** The State Government organised Army Recruitment fair to facilitate the recruitment of un-employed youth. The state's labour and employment department organised 11 fairs in year 2006-07

Year	Recruitment fair	No of candidates selected
2006-07	11	1108
2007-08 (till December, 2007)	6	248

Free Transport service to candidates going for interview is provided. During the last year, the no. of candidates which availed the services is given below.

Year	Beneficiaries
2006-07	48647
2007-08 (December, 2007)	16558

**National Rural Employment Guarantee Scheme:** NREGS is being implemented in nine districts of Gujarat state (The Dangs, Narmada, Navsari, Valsad, Panchmahal Dahodh, Sabarkantha, Banaskantha and Bharuch). The NREGS will be implemented in entire rural areas effective from 1<sup>st</sup> April, 2008. The following is brief information regarding the expenditure under the NREGS in Gujarat.

Year	Opening balance 1	Central government grant 2	State government's contribution 3	Misc income 4	Total 1+2+3+4	Total expenditure	% of expenditure
till 31st March, 2007	40.1376 crores	98.1393 crores	7.4539 crores	2.8013 crores	148.5313 crores	86.0310 crores	57.92%
Till December, 2008	62.9464 crores	52.7347 crores	5.5687 crores	61.54 lacks	121.8652 crores	57.6459 crores	47.30%

The state government had incurred the total expenditure of Rs. 148.5321 crores up to March, 2007, where as in current fiscal till December, 2007 end, the state government has incurred expenditure of Rs. 121.8652 crores. Thus the percentage of expenditure out of total received allocation is 57.92% and 47.30% for year 2006-07 and 2007-08 (December end) respectively. Total no of families to have received the job card is 8,19,773, out of which only 1,93,206 families applied for work and have work at any time.

The total no of work days produced till December, was 62,54,976 human work days and total 1,93,206 families at any time had work at NREGS site, it means average each family could work only 32.37 days under NREGS, where as there is 100 work guarantee per family, therefore the total grant was not fully utilised. As the minimum wages for agricultural labourer is Rs.50/- day and at NREGS workers are engaged at piece rate, which is calculated on the basis of minimum wages of agricultural workers, therefore minimum wages of agricultural workers must be increased to enable more families to work under NREGS.

The estimated budget for year 2008-09 for NREGS is

State government's share	47.50 crores
Central government's share	427.59 crores
Total	475.09 crores

The state government allocation is to be utilised for

SCSP (Schedule Caste Special Component )	4.75 crores
TASP (Tribal Area Sub Plan)	5.05 crores
General	37.70 crores
Total	47.50 crores

**\*Sources:** Budget Estimates of "Department Labour and Employment for 2008-09 Budget Book publication No.15, Page No 3 to 65, GOG Performance Report of "Department Labour and Employment, 2007-08, GOG Budget Estimates of *Panchayat*, Rural Housing and Rural Development for 2008-09 Performance Report of *Panchayat*, Rural Housing and Rural Development for 2008-09 Gujarat Annual Development Plan- 2007/08, Gujarat Socio- Economic Review-2007 Annual Report Government of Gujarat Ministry of Labour and Employment, GOI, Annual Report,2006-07

## Annexure

**Table 5.1**  
**RANGE OF MINIMUM WAGES FOR UNSKILLED WORKERS IN DIFFERENT STATES / UNION TERRITORIES**

S No	State/Union Territory	Range of Minimum Wages per day (in rupees)
	<b>Central</b>	<b>66-115</b>
<b>States/Union Territories</b>		
1.	Andhra Pradesh	45.00-128.00
2.	Arunachal Pradesh	55.00-57.00
3.	Assam	48.00-97.00
4.	Bihar	66.00-75.00
5.	Chhattisgarh	52.87-79.13
6.	Goa	75.00-94.00
7.	Gujarat	50.00-99.00
8.	Haryana	94.00-95.00
9.	Himachal Pradesh	70.00
10.	Jammu & Kashmir	66.00
11.	Jharkhand	50.06-77.57
12.	Karnataka	63.00-103.00
13.	Kerala	72.00-189.00
14.	Madhya Pradesh	61.37-94.13
15.	Maharashtra	45.00-155.22
16.	Manipur	69.55-72.40
17.	Meghalaya	70.00
18.	Mizoram	91.00
19.	Nagaland	66.00-70.00
20.	Orissa	55.00
21.	Punjab	90.44-94.24
22.	Rajasthan	73.00-82.00
23.	Sikkim	85.00
24.	Tamil Nadu	54.44-150.00
25.	Tripura	51.35-65.77
26.	Uttar Pradesh	58.00-104.41
27.	Uttaranchal	61.61-97.00
28.	West Bengal	64.22-125.00
29.	Andaman & Nicobar	100.00-107.00
30.	Chandigarh	114.00
31.	Dadra & Nagar Haveli	91.00
32.	Daman & Diu	80.00
33.	Delhi	127.38
34.	Lakshadweep	70.00
35.	Pondicherry	45.00-124.00

**Translated from Gujarati****11<sup>th</sup> March, 2008, Gujarat State Assembly**

**Arjunbhai D. Modhvani MLA (Porbandar):** “There should be a department for framing the policy for labourers. Unfortunately, this department (Department of Labour and Employment) is totally neglected and there are lakhs of workers, workers of unorganised sector in Gujarat state. There is not a single word mentioned about them in the policy, budget books, neither there is mention in the governor’s speech. It means that the state government is only concerned about white color people but not about blue colors labourers. I am quoting just one example that the fixation of minimum wages of workers is done by the state government. How many rupees of wage increase was effected and how many rupees were increased not a single rupee was increased for last six years (since year 2002). The minimum wage of agricultural labourers was raised to Rs.50/- from Rs.34/- in year 2002. Let’s see what is the status of minimum of wages in other states? What I want to convey is that the range of minimum wages in Gujarat state is Rs 50 to Rs.99/-day. The rate of minimum wages in Kerala state is Rs.72/-. The Madhya-Pradesh state is poorer than us (Gujarat) but the minimum wage is Rs. 61.37/-, the state like Orissa, which is tribal state has minimum wages 70/- and Haryana state is Rs.98/-, Himmachal Pradesh 75/-, Karnataka Rs. 71/-, and Bihar state has Rs. 66/- minimum wage. The minimum wages are kept low so that the rich people have to pay the fewer wage to the labourers. Not only that the wages under the National Rural Employment Guarantee scheme is paid from the grants from Central government and grants are unlimited. If we give Rs.100/- under NREGS instead of Rs.50/-, the central government is willing to pay the Rs.100/- but this hurts the rich people, therefore, the minimum wages are not revised or increased. Even the survey of payment of minimum wages to workers reveals that in Gujarat state 57% workers do not get stipulated minimum wages and the situation in other states is better”. **Honourable Speaker sir**, “what I wanted to convey is that the last survey was conducted by the National Commission for Labour, as per the survey, in Gujarat state, around 57% workers do not get minimum wages, in Punjab 13% workers do not get MWs, in Rajasthan 9% and UP’s percentage is 18% and in Our place (Gujarat) its 57% people do not get minimum wages. If at all the state government was concerned about the labourers, minimum wages would have been increased but the state government is least concerned about it”.

**Arjunbhai D. Modhvaria “Hon’ble speaker sir**, “I want to convey my feelings through your office to the minister concerned that the minister must issue guidelines to all the ministries to do needful for formulating the policy for workers of unorganised and organised sectors, including facility of housing and periodic revision of minimum wages for the workers of construction sector or unorganised sectors. **We will support all the demands of labour department unanimously for approval. The minimum wages should be enhanced to Rs.100/- as from the 1<sup>st</sup> April, as National Rural Employment Guarantee Scheme is to be implemented through out the rural districts”.**



**Shri Vajubhai Vala (Minister of Finance, Labour & employment):-** *Hon'ble speaker sir*, “there were around 11 speakers, who participated in discussion for the demands of Finance and Labour & employment). What ever taxes I have levied is over the prosperous people of society so that people who need the money can get it. Thus the money collected from taxes will go to the rural people to increase the yield of farm, for education, Health services, to make water available in farms like in city. The tax money will be utilised for creating city like facilities in rural areas. I had mentioned yesterday as well that “the Revenue income is more than the Revenue Expenditure in our state”. We are revenue surplus state; therefore, people paying the taxes within the revenue surplus will be utilised for the development work of state. I hope nobody would question about it. The income is to be utilised for the welfare and development of all citizens..... Our intension is to eradicate the un-employment from Gujarat within five years, this is the first year. In year 2003, there were 9.99 lakhs registered unemployed in the state and in year 2007, the number reduced to 7.99 lakhs. It means 2 lakhs un-employed declined. Day by day the number of un-employed persons is getting reduced, we assure the members sitting in the house that within 5 years, we will together (There is no Opposition party nor ruling party) make efforts to ensure that not a single youth is left out from employment and I appeal to all members”.

**Shri Vajubhai Vala:** “Mr. Arjunbhai had asked “**that minimum wages of agricultural workers is Rs.50/- revised it and we would support the demands’ approval**”. This is national level issue, of course we can enhance it, there is proposal for enhancing it to Rs.80/-“

**Shri Arjunabhai Modhvadia”** Enhance it to Rs.100/-, Central Government’s NREGA is to be introduced and 100% grant is from the Central government and then only 100% implementation of scheme is possible.

**Vajubhai Vala (Minister of Labour and Employment):** “*Let the scheme be implemented first*”

**Source:**

Book No 3, 10<sup>th</sup> March to 13<sup>th</sup> March, 2008

Page No 149 to 159

Gujarat Vidhan Sabha

Charchoa

Gujarat Assembly

Discussion

Official Report

1<sup>st</sup> Session, 12<sup>th</sup> Gujarat Assemby



Gujarat Assembly secretariat

Gandhinagar

Gujarat

EXTRA No. 31

POSTAL REGISTRATION  
No. VDR-E/14/2006-2008

**The Gujarat Government Gazette**  
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Separate pagings given to this part in order that it may be filed  
as a separate compilation

**PART I-L**

Notifications, Orders and Awards (other than those published in Part I,  
IV-A, IV-B and IV-C) under (Central) Industrial Disputes Act  
and Gujarat Industrial Relations Act

**LABOUR AND EMPLOYMENT DEPARTMENT**

**Notification**

Sachivalaya, Gandhinagar, dated 17th July, 2008.

Minimum Wages Act, 1948

No:KHR-2008-40-MWA-1098-1134-M(2)- WHEREAS draft notification  
under Government Notification, Labour and Employment Department,  
No: KHR-2008-40-MWA-1098-1134-M(2), dated the 19th April, 2008, was  
published as required by clause (b) of sub-section (1) of section 5 of the Minimum  
Wages Act, 1948 (XI of 1948), at DATES 24-1 to 24-3 in the Government

H-Extra-31 31/

31/2 GUJ.GOV.T.GAZ. EX., JULY 17,2008 /ASADHA 14,1930 [PART I-L

Gazette, Extra-ordinary, Part I-L, Extra No. 24 dated the 19th April, 2008, inviting objections and suggestions from all persons likely to be affected thereby, within two months from the date of its publication in the Official Gazette.

AND WHEREAS, the objections and the suggestions received in respect of the said notification have been considered by the Government;

NOW, THEREFORE, in exercise of the powers conferred by sub-section (1) of section 3 of the Minimum Wages Act, 1948 (XI of 1948), the Government of Gujarat after consulting the Minimum Wages Advisory Board and in supersession of the Government Notification, Labour and Employment Department No : KHR-35-2002-MWA/1098/1134/Part-II/M (2), dated the 30th March, 2002, hereby revises the minimum rates of wages in respect of the employees in the Scheduled Employment in Agriculture, in the whole of the State of Gujarat as set out in the Schedule appended hereto;

#### SCHEDULE

Class of employees	Rate payable by the day to a casual labourer	Rate payable by the year to a permanent labourer
1	2	3
Employees in the Employment in Agriculture	Rs. 100.00	36,500.00

#### Explanation:

For the purpose of this notification—

- (1) The entire State shall be treated as one Zone;
- (2) There shall be no discrimination between male and female employees for the payment of minimum wages;
- (3) In the case of a permanent employee employed for a part of the year, the minimum rates of wages payable to him annually shall be proportionately reduced;
- (4) "Casual Labourer" mean any person who is employed for hire or reward to do any work in connection with employment in agriculture and is paid wages with or without prerequisites, on the basis of a working day ;

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- (5) "Permanent Labourer" means any person included an employee known as "Chakar", "Bhagia", "Hathi", or "Sathie", who is employed for hire or reward to do any work in connection with employment in agriculture and is paid wages with or without prerequisites on the basis of a specific period of work from one month to twelve months ;
- (6) In the case of an employee employed on piece-rate basis, the minimum rates of wages shall be so fixed that the amount of the wages payable to him for the number of hours of work which constitutes a normal working day shall not be less than the wages payable by the day to an employee on time rate basis;
- (7) An employee employed on part-time basis shall be paid fifty per cent of the minimum rates of wages upto four hours and full minimum rates of wages for more than four hours if he works.

By order and in the name of the Governor of Gujarat.

A. M. KADRI,  
Deputy Secretary to Government.

GOVERNMENT PRESS, VADODARA.

# A National Workshop on Human Rights and Budgets

From 28-30th of May 2008, Indian human rights and budget groups came together in Shimla (India) to share and review the use of Budgeting and Costing as a strategy to ensure protection of human rights in India. The objective of the workshop was to learn how innovative budgeting and costing are being used as a tool to press for realisation of human rights as well as potential for further development. The final objective was to strategise on local possibilities to best take forward budgeting and human rights work at the different levels (local, national and national), formulate a plan of action and identify pilots where Costing-strategies can be developed.

## Context

During the various sessions it became clear that the 10 year's experiences of Indian organisations on budget-work is absolutely path-breaking: shifting from the use of Budgeting as a movement tool for accountable governance to press for just governance, civil society is now noted as a crucial actor in budget work. Important is the question: *How do we further and promote the agenda of just governance and how to include Human Rights within this?* It is here that development organisations can have a role?

In the context of the new liberal policies and the changing role of state, one should also look into macro-economic policies. The need to elaborate a strategic vision and combine actions at the macro and micro level was stressed.

The conduct of the international financial institutions and international donors should be monitored, as neo-liberal policies and politics are constantly questioning the entire human rights framework. Fundamental questions come first; Does the state play the role of a financier and a provider or just a financier? Should the state be guarantor for services? Are there other duty bearers for the fulfilment of the human rights? New challenges around budgets are coming up – and no longer always take the treasury route – but for e.g. the society route and it becomes difficult to hold the government

accountable on the impact and utilisation of allocations. Adequate policies to reach marginalised and most vulnerable groups or to deal with deep rooted social and cultural issues remain crucial in the fulfilment of human rights.

## Main findings and challenges combining Human Rights and Budgets

- 1) **Budgeting is a critical tool** of the human rights discourse and movement, but it is one tool, not an end in itself. It is the inter-linkage between laws, policies, budgets, programmes and governance which fulfil the steps that need to be taken to realise Human Rights. On the other side human rights can also add great value to Budgeting by setting standards and priorities. The bridge between HRs and budget people must be strengthened and we must work to broaden each others' activism.
- 2) **Budgeting is an advocacy tool.** Budgeting is only an additional strategy at very specific moments in a wider, longer-term, complex and dynamic process of holding states and government accountable. Budget work is done in many different ways. One step is to claim allocation for specific issues, policies or marginalised groups. Another step can be to 'increase utilisation' of resources allocated and explore more innovative ways of finding the money within the budget. Information on allocations or tracking of spending on the local level can support empowerment of local grassroots groups claiming their rights. In the end it is a political struggle. Costing can be part of the process at different stages, underlining arguments e.g. why allocations have to be changed?
- 3) **Rights should be translated into entitlements** and litigation has been part of the strategy of fulfilment, or bringing violations and non-fulfilment of ESCR cases to court. Most of the actual cases are based on national law and the Constitution of India; the use of budgeting and costing can be very effective. We have to develop a **strategy** for getting ESC-rights implemented using the law. But where do we focus: on **politics or litigation**? Here we have to develop an approach to budgeting human rights; combining policies and litigation, make better use of available funding; experiment with the costing of violations; use gaps in policies and budgets.

The second track is to investigate if the budget bill can be treated as legislation. The consequences and potential of this would be enormous. All law is tested against the constitution, so there is enormous possibility to scrutinise budgets based on human rights and the constitution, and challenge e.g., that the protection of the right to life is not adequately secured as per the budgets. The financial memorandum is also law and this raises possibilities of budget scrutiny as well.

- 4) The **core content of human rights** or specific aspects could be translated into concrete numbers: "What is not counted doesn't count – what can't be costed doesn't cost. "To get to this stage, we need to further develop specificity in rights and develop common, consistent accepted standards for rights implementation to make a unified demand. International guidelines and laws are important but need finiteness and clarity and contextual to a country. There is a challenge to interface with international work in concrete ways, linkage in very concrete ways with-

out compromising local realities. What does it imply: 'Maximum available resources' within the Indian context? In the case of right to health a model is developed to elaborate the concrete core content.

- 5) **Costing methodologies** have been used in several cases and stages, e.g. in the Right to Food-case. Nevertheless some say it's the governments' responsibility to translate the needs/rights into adequate policies and budgets, civil society should claim their needs/rights, track and monitor implementation. Costing can be meaningful in political processes, where one already has a foot in the door and where politicians are ready to accept fairly elaborated proposals. And if one starts Costing, one should be aware of developing and setting realistic, adequate standards and benchmarks.
- 6) **Universality versus proportionality** was a persistent issue, focused on the fragmented approach of India at the moment, which some were against. Should they work towards redistribution based on universality or proportionality - focus on most deprived? In the case of Dalit Budgeting it was developed by comparing the general budget critique of Tamil Nadu Government's fiscal policy with manifestos and demands from the perspective of the most significant disadvantaged section.

It should not be a debate of universality versus equity. The question raised was rather how to universalise with equity? The workshop participants opted to challenge standards and what is taken to be an acceptable norm and aspire for social equity. By that method society should ultimately come to adopt an alternative universal framework for free education, health care, subsidised food, by this universal framework everyone goes to schools, healthcare is available, etc.

- 7) Finally one could also be critical on the relatively little impact of enormous, diverse and comprehensive budget work. Some of the participants stressed the need to come out of the comfort zone's and as budget and human rights organisations look for other entry points for more IMPACT and strategise the work on the different levels and the different strategies.

## Follow-up

The Indian organisations committed themselves to take up some immediate follow-up:

- the elaboration of a series of concept paper f.e. micro-macro, and continue the dialogue on specific questions;
- to document a synthesis of work and leanings together to get strong analysis and understanding of impact, of strength's, weaknesses, gaps and learnings to develop effective strategies and methodologies to move forward;
- to develop knowledge building on budget work, capacity building and dialogue with budget with human rights organisations.

There is scope for costing action that the rights and development group of the network of European protestant development organisations (APRODEV) needs to follow up. Several actors expressed

clear interest in further exploring and piloting costing within the larger framework of Budgeting; much more methodological clarity needs to emerge generally for costing to be done, including both on macro economic and human rights standards. The added value the rights & development group can contribute is to help exploring Costing and linking it to human rights, identify where costing becomes helpful and clarify it methodologically. The workshop identified as follow up steps:

- See if the participants can support the initial synthesis of experiences & conceptual papers, drawing out learnings, clarify when is useful and can add-value, and map pockets of work being done and learnings from those. This could prove really valuable base document and starting point.
- Support specific pilots:
  - (a) Right to food case is an extraordinary case that has been running based on different strategies combining legal action, mobilisation, policy development, budget work for last 7 years; Costing was used at strategic moments and methodological and strategic learnings can be drawn from the process.
  - (b) Social security case; a broad coalition (trade unions, civil society organisations and movements) is currently working on the Right to Social Security. They have not yet reached a clear understanding of the concept – what should be included, what should be public and what should be private contribution, what has to be tax based etc. Budgeting could be helpful to clarify these issues to provide more detail on how much it could cost and how realistic it is to ask for it.

The workshop helped to identify the need to look at the macro economic issue for the fulfilment of human rights. But, while it saw the interconnectedness of micro and macro also in this case it considered it a subject for an altogether separate exploration.

– Reported by Anup Kumar Srivastava

# A Ground Reality to Assess the Realisation of Economic, Social and Cultural Rights in India

## Field Research Report

*Amitabh Behar*

### Executive summary

Human rights are inherent, inalienable and universal in nature. Rights give entitlements and put corresponding obligations on the state and other actors to respect, protect and promote human freedom and dignity. For freedom and life with dignity, certain basic rights like the to life, to freedom of speech and expression, to adequate standard of living, to housing, work, food, health, education, etc are essential. It is the responsibility of the State to ensure that all those living within its ambit enjoy a certain level of social and economic security.

Human rights perspective entails that all people have the right to food and not to starve, the right to health and not to suffer from preventable disease, the right to education to have access to knowledge and information, and to decide on anything that affects their life. However, in developing countries like India, the growing capability deprivation, exacerbated by the new economic reforms and structural adjustments, cannot be addressed by only securing civil and political freedom, but by addressing the issues of socioeconomic and cultural deprivation, and investing in the realisation of these rights.

The present study was undertaken to analyse government initiatives and interventions for realisation of Economic, Social and Cultural Rights (ESCR) with a focus on the right to food security, elementary education and health care services. The study was conducted in three Indian states: Maharashtra, Karnataka and Chhattisgarh with a focus on the ESCR of the Dalits, Adivasis, Other Backward Castes (OBC) and other marginalised groups.

### Methodology of the study

The study is based on primary and secondary data, with a survey research design for collecting primary data, and review of literature from the government for secondary data. Literature on the goals and benchmarks, laws, policies, budgetary allocation and other process initiatives of the



government to respect, protect and promote ESCR in India was reviewed extensively. Primary data was collected from 10 villages from each of three blocks, namely, Harapanahally block in Devangiri district of Karnataka, Wada block in Thane district in Maharashtra, and Bodla block in Karwardha district of Chhattisgarh. The blocks were chosen randomly from a list of blocks that had a majority of either Scheduled Castes (SC) or Scheduled Tribes (ST).

### Findings of the study and recommendations

The major thrust of India's **education policy** at the primary level is on improving enrolment, retention, and achievement of children in the 6-14 years age group in school. The focus is on reducing disparities among different segments of the population and eliminating gender disparity. However, inadequate budget allocation, dismal school infrastructure in rural areas, high dropout rates, caste-bias, gender-bias etc have become the hallmark of the Indian education system.

The study shows that the number of girls who have never gone to school is more than the boys in all categories (SCs, STs and OBCs) and the total literacy campaign has lost its momentum. Much improvement is needed in infrastructure of schools, their physical accessibility, the student teacher ratio and exploration of alternative teaching methods. The mid-day meal programme also needs to be improved. Greater awareness has to be generated among the people about the importance of schooling, particularly among the marginalised sections.

The Indian **health system** is highly privatised even though about half of the poor depend on public sector hospitals for care. The privatisation and deregulation of the health system has resulted in rising medication and drug prices. Access to health care is limited by the fact that sufficient numbers of medical and paramedical staff are not available in government health centres.

The study shows that the health of STs is really perilous when compared to others, and systems need to be put in place to provide health care even to the remotest regions where many of them live. States need to improve the quality of health infrastructure, the training provided to paramedical staff, and the number of hospitals and primary health centres. The concept of a user fee was promoted to increase the efficiency of the health services, but it has proved to be a deterrent in access to government health services. The mushrooming private health care sector needs to be better regulated in terms of quality and quantity of service, and some provision must be made to ensure that it also caters to the poor. Simultaneously, traditional healing systems need to be rejuvenated and should be used as a support system for modern medicine.

With regard to the **right to food**, it is clear that there is no need for more food related schemes; what is essential is to make a concerted effort to implement the already existing schemes, so that they achieve what they are expected to. The right to work is the best protection against hunger and poverty, and in order to secure the right to food, right to gainful employment needs to be addressed simultaneously.

The study has found that to improve nutrition, the focus should be on providing nutritional cereals such as millet, *bajra* and *jowar*, instead of wheat and rice, under various nutrition schemes. An efficient mechanism for spreading information about the existing schemes and current entitlements

is also necessary. The distribution of food grains needs to be scrutinised in the context of large amounts of money being spent on overflowing food godowns and their maintenance. Below-poverty-line (BPL) families need to be correctly identified and the process of identification must be transparent and accountable.

Under the influence of the policies of globalisation, the Government of India is cutting down the welfare budget on the insistence of the World Bank and the International Monetary Fund. India is thus trailing behind in achieving the Millennium Development Goals (MDGs) as public health budgets are slashed. Based on the research findings of the study we make the following broad recommendations for the realisation of the ESCR of Dalits, Adivasis, OBCs and other marginalised people:

- Integration of rights perspective and approach to plans, policies, programmes and processes
- Strengthening civil society interventions to promote and ensure ESC Rights.
- Greater public awareness and education on ESCR so that people demand their rights.
- Greater accountability of the authorities involved, and a sense of ownership among the beneficiaries of the various programmes for realisation of ESCR.

## 1. Introduction to the Study

### 1.1 Human Rights: Respect, Protection and Fulfilment

Human rights are inherent, inalienable and universal in nature. All struggles for human rights strive to create a condition where every individual can live a life of dignity. Freedom from fear and want are the basic requirements for living a life with dignity. Freedom from fear and want encompass certain basic rights such as the right to life, freedom of speech and expression, adequate standard of living, housing, work, food, health, and education. Rights give entitlements and put corresponding obligations on the state and other actors to respect, protect, and promote human freedom and dignity.

But throughout human history, it is the rights of the mighty that have been upheld. The poor have never been free from fear and want. The suppression of liberty, the lack of equality and human dignity, perennial hunger and malnutrition, morbidity and mortality, have been the lot of the poor throughout history. Religious dogma or coercion prevented large numbers of people from determining their own destiny. People were forced to accept the suppression of their freedom and lowering of their dignity as a *fait accompli*. However, history has also been witness to the protests of the poor and marginalised against the unjust social order whenever their backs were pushed to the wall.

The root of human rights and dignity was found in natural laws; and all religions and epics directly or indirectly valued human rights and the dignity of the individual. It was western political philosophers such as Thomas Hobbes and John Locke who initiated the modern discourse on human rights. They reinterpreted the notions of natural law and articulated what can be termed the liberal position on rights. This position emphasised the right to life, liberty, secure possession of property, freedom of speech, freedom of association, etc. The predominance of individual rights, and the stress on the

right to property was, in many ways, reflected in the intellectual context of the Enlightenment, and the economic context of the rise of capitalism (Samuel 2003).

Capitalism created a large army of the labour class to run its big industrial houses. To maximise profits, labourers were kept in abject poverty and penury. This created unrest and resentment among them and led to outbursts in various parts of Europe and north America in the eighteenth and nineteenth centuries.

Along with the labour class, the peasant class also started pressing for control over production of what they were producing in order to better their living conditions. Gradually, masses joined hands with labour and peasant class movements and this snowballed into freedom movements across the world that demanded better living conditions (food security, health care, and freedom of expression, etc.).

These developments laid the groundwork for the praxis of human rights across the world. It could therefore be said that the growth of capitalism, directly or indirectly paved the way for human rights discourse across the world. Economic, Social and Cultural Rights (ESCR) grew as a reaction to the exploitative capitalist regime. However, it will not be out of context to say that Civil and Political Rights (CPR) was promoted by the industrialists since it served to protect them from State intervention.

Human rights were codified with the establishment of the United Nations Organisation (UNO) in 1945. The UNO, for the first time, listed a number of basic necessities, which are considered fundamental to human dignity and human rights. The UNO list was elaborated in the Universal Declaration of Human Rights (UDHR) in 1948. The UDHR was a ray of hope to millions whose freedom and dignity had been suppressed throughout human history. It endorsed a new humanistic vision and set of principles to respect, protect and fulfill universal human rights. Articles 1 to 22 of the UDHR emphasise civil and political rights, while the other articles emphasise economic, social and cultural rights. The UDHR was important because it recognised basic necessities as human rights and put corresponding obligation on states to respect, protect and promote these rights. By putting obligation on states, the UDHR sought to fix responsibility for violations of human rights and to provide an appropriate response.

These basic rights were further concretised in the International Convention of Civil and Political Rights, 1966 (ICCPR) and the International Convention of Economic, Social and Cultural Rights, 1966 (ICESCR). The ICCPR and ICESCR conferred legal status on Civil and Political Rights (CPR) and Economic, Social and Cultural Rights (ESCR), making these an integral part of International human rights laws. The international human rights law recognised the indivisibility and interdependence of CPR and ESCR. The ICESCR imposes not only the obligation of conduct ('to promote and to respect') but also the obligation of results ('to fulfil'). The human rights perspective entails that all people have the right to food and not to starve, the right to health and not to suffer from preventable disease, the right to education to have access to knowledge and information, and to decide on anything that affects their lives (Cheriaet all 2004:1). These laws have put legal bindings on all States to take initiatives to guarantee all these rights to their citizens and to respect, protect and promote the universality of human rights and dignity.

## 1.2 Relation between CPR and Escr

Any human rights approach should be comprehensive, stressing the importance of all human rights, be they civil and political or economic, social and cultural. This approach not only recognises the equal value of each right, but it is also more realistic. Rights are inextricably intertwined with one another, and the full enjoyment of one right often requires the full enjoyment of another (Artis et al 2003). The relation between CPR and ESCR is thus complementary and contributory. The preamble of the Quito Conference<sup>d</sup> declared that enjoyment of ESCR is essential to the effective, egalitarian and non-discriminatory enjoyment of CPR. The promotion of CPR without considering the full enjoyment of ESCR ignores social inequities and permits intolerable discrimination favouring those sectors that benefit from the unequal distribution of wealth (*ibid*).

Although the UDHR accorded equal weightage to both CPR and ESCR, over the years an artificial wall has been erected between CPR and ESCR, and more patronage has been given to CPR over ESCR. Supporting the prominence given to CPR over ESCR, a section of people argue that CPRs are negative rights and only restrain States from doing certain things. Hence, States do not need to allocate any extra money to ensure these rights. But ESCRs are positive rights and require States to allocate more and more resources. Therefore, there is no mandatory obligation on States to implement ESCR. This view forgets that the concept of negative and positive rights appeared to be a misnomer. Both CPR and ESCR have certain positive and negative, ingrained, characteristics. For CPR, as for ESCR, States have to allocate money to maintain courts, police forces, etc.

## 1.3 Relevance of ESCR

ESCR are basic entitlements that people can claim as human beings. Its constituents are very important for freedom and dignity. Nobel Laureate Amartya Sen has said that the lack of schooling, meagre health care and inadequate economic opportunities can impede human freedom and dignity (2003: iv). Supporting the arguments of Sen, the UN Committee on ESCR opined that the right to live a dignified life can never be attained unless all basic necessities of life - work, food, housing, health care, education and culture - are adequately and equitably available to everyone ([www.unhchr.ch](http://www.unhchr.ch), general comments). It implied that ESCR are ingrained in the human rights principles and are essential for protecting and upholding human dignity.

Human dignity and integrity could be impaired by social and economic factors such as hunger, homelessness, and deprivation of other basic necessities of life. The ESCR have a value and are an end in themselves<sup>1</sup>. ESCR have a direct relationship with the concept of empowerment. As individuals begin to regard ESCR as entitlements, they no longer tolerate the inaction or neglect of their governments on these social issues. They start to mobilise and demand that their governments fulfil their obligations to the people (Artis et al 2003).

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<sup>1</sup> The enjoyment of ESCR enhances the freedom of individuals by increasing their capabilities and their quality of life ([www.hrusa.org/hr](http://www.hrusa.org/hr) materials). Greater literacy and educational achievements of disadvantaged groups can and Dreze 1998:11).

## 1.4 States' Obligation on Implementation of ESCR

Article 2 (1) of the ICESCR has dealt with the implementation of ESCR and put an obligation on states to implement the proviso of the convention:

*'Each state party to the present covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realisation of the rights recognised in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.'*

The article has some vague words like 'to the maximum of its available resources' and 'progressively'. These words have made it very difficult to hold the State responsible for the violation of ESCR, although many states delayed the implementation of ICESCR, citing reasons like scarcity of resources.

But the state cannot ask its people to wait indefinitely for access to basic rights like right to food, right to education, right to health, etc when it is spending millions of rupees for defence and other expenditure. The UN committee on economic, social and cultural rights is very categorical about the responsibility of states in implementing ESCR. Danilo Turk, the UN Special Rapporteur on ESCR has said that states are obliged, regardless of their level of economic development, to ensure respect for minimum subsistence rights for all (Centre for Economic and Social Rights 2000). Along the same lines, the UN committee has affirmed that a State in which any significant number of individuals is deprived of essential foodstuffs, of essential primary health care, of basic shelter and housing, or of the most basic forms of education, is, *prima facie*, failing to discharge its obligations under the covenant (www.unhchr.ch, General Comments No 3).

The general comments No 3 of ICESCR held the State to be the primary agency for protecting and realising human rights; attaining minimum levels of ESCR is a core obligation of the State. It considered that breaches to these very minimum levels of obligations constitute violations of these rights. Violation can occur through the direct action of the state (act of commission) and also due to the state's failure to take steps that are required under ICESCR (acts of omission).

Within the progressive realisation paradigm, there are two types of policies that always constitute violations of ESCR. First are policies that deprive people of a basic level of subsistence necessary to live with dignity, ie, the principle of minimum core content. Second are measures that actually worsen people's access to ESCR, ie, the principle of non-regression (Centre for Economic and Social Rights, 2000).

## 1.5 Status of ESCR in the Last 55 Years

Although the UDHR, the ICESCR and other international human rights conventions, treaties and declarations accorded equal importance to ESCR and CPR, in practise ESCR remained a policy mirage. Both CPR and ESCR were entangled in the mess of cold-war politics amidst claims and counter-claims. The Quito Conference of July 1998 commented that during the last 55 years, ESCRs

have not only been systematically threatened and violated, but were also widely unknown and ignored. As a result, unlike CPR, ESCR does not have a cohesive, comprehensive or recognisable framework, but rather exists as bits and pieces of programmatic objectives, which States may treat as negotiable and which therefore can be withdrawn or otherwise compromised (Mariama 1998).

ESCR was buried in the slush of cold-war politics. As a result, the jurisprudence for ESCR was not created. Hence, it was very difficult to fix responsibility for violations of ESCR. At the same time, there was also no pressure from civil society to force policy makers to respect and promote ESCR. People were given to understand that CPR alone is human rights and that ESCR will follow CPR.

In India, people were soon disillusioned with this approach when post-1980s it was seen that advocacy of the growth-based development model along with priority of CPR could not provide dignity and freedom to millions of people whose rights were snatched away.

The international community realised that until and unless priority is shifted towards human development and promotion and fulfilment of ESCR, human dignity and freedom of marginalised people could not be protected and ensured. This realisation of the international community was articulated in all international conferences and conventions sponsored by the United Nations. Meanwhile, the United Nations Development Programme (UNDP) came out with a new Human Development Index (HDI) and published its first Human Development Report (HDR) in 1990. The HDR included all the major provisos of the ICESCR.

However, civil society organisations have realised the limitation of micro-level development interventions and poverty eradication programmes in questioning the politics and policy framework that perpetuate deprivation. They played a major role in creating a discourse that made ESCR an integral part of the human rights praxis.

## **1.6 Recognition of ESCR in India**

India signed the ICESCR in 1979. However, long ago, the Indian Constitution incorporated all the major provisions of UDHR, ICCPR and ICESCR in Chapter III and Chapter IV of the Indian Constitution. Unlike in UDHR, in the Indian Constitution, a distinction was made between CPR and ESCR much before the international community divided these two sets of rights in 1966 into two international conventions -ICCPR and ICESCR.

All the components of CPR were incorporated under the category of Fundamental Rights (FR) in Chapter III of the Indian Constitution, and all the components of ESCR were incorporated under the category of Directive Principles of State Policy (DPSP) in Chapter IV. India's Constitution makers gave the upper hand to fundamental rights over the directive principles by making implementation of fundamental rights obligatory and justiciable, and implementation of the directive principles optional and non-justiciable.

Interpreting the nature of the directive principles, the chairman of the constitution drafting committee, B R Ambedkar, opined that the directive principles would be the guiding principles of governance, and each successive government would have to implement these principles under public

pressure. Article 37 of the Indian Constitution says that the directive principles are fundamental in the governance of the country, and it shall be the duty of the State to apply these principles.

However, there is no gainsaying that the Indian government never whole-heartedly pursued the implementation of the directive principles. Rather, the government dilly-dallied on the implementation of each principle pleading a lack of resources. The Indian legislature also did not pass strictures against the government for not taking the initiative to implement the provisions of the directive principles.

The DPSP started getting some importance when the judiciary chipped in and interpreted its underlying principles. When the Emergency imposed in the mid 1970s was lifted, the courts played a significant role in promoting ESCR by accepting Public Interest Litigation cases (PIL). The PIL has provided a legal framework for ESCR in India. The Supreme Court, while delivering judgments in *Mathew, J. in the fundamental rights case*, ruled that, in building up a just social order, it is sometimes imperative that fundamental rights should be subordinated to directive principles (Ravindran 2000:879). In another case, Justice V R Krishna Iyer commented that fundamental rights and the directive principles are complementary, neither part being superior to the other (V R Krishna Iyer, J in *State of Kerala vs N. M Thomas, 1976*) (*ibid*:367). In the case of *Francis Coralie Mullin vs the Administrator, Union Territory of Delhi (1981, 2 SCR 516)* (*ibid*: 529), the Supreme Court declared:

‘The right to life includes the right to live with human dignity and all that goes with it, namely, the bare necessities of life such as adequate nutrition, clothing and shelter and facilities for reading, writing and expressing oneself in diverse forms, freely moving about and mixing and commingling with fellow human beings.’

The right to education was upheld for the first time in India in *Unni Krishnan vs State of AP* ([1993] 1 SCC 645) which raised the right to compulsory education up to the age of 14 years, to the level of a fundamental right. Similarly in *Bandhua Mukti Morcha vs Union of India*, in 1984, the Supreme Court held that the ‘right to life’ must include the right to health for the enjoyment of human life with dignity; and that ‘...neither the central government nor any state government has the right to take any action which will deprive a person of the enjoyment of these basic essentials’ (Sengupta 2004).

Thus, the courts in India have related healthcare, food security and elementary education to the right to life (Article 21) under the constitution making these rights justiciable. These judgements enabled civil society organisations to mount pressure on the government to make all these rights fundamental rights. For example, under the 86th constitutional amendment, elementary education has been made a fundamental right under the constitution. Now civil society organisations are demanding that the right to healthcare and the right to food be made fundamental rights (Art 21) under the Indian Constitution.

## 1.7 Relevance of Study on ESCR in India

Any study on ESCR serves two purposes: one, that civil society organisations and common people will come to know what steps the State has taken to fulfil the provisions of ICESCR, and two, the state also comes to know how far its initiatives in providing ESCR to its citizens have been successful.

On the basis of the findings, the state's accountability towards fulfilment of ESCR to its citizens can be understood. As the human development report 2000 states, information and statistics are a powerful tool for creating a culture of accountability and for realising human rights (UNDP 2000). Otherwise, countries that ratify or accede to specific human rights instruments cannot assess their own performance in promoting meaningful realisation of the enumerated rights. Further, without effective monitoring, States cannot be held accountable for implementation of, or be made liable for, violations of these rights (Chapman, R A, [www.aaas.org](http://www.aaas.org))

Indian society is a highly inequitable society where the richest 10 percent consumes 33.5 percent of resources and the poorest 10 percent gets only 3.5 percent of resources (UNDP 2003). Around 233 million people are chronically hungry. As per the recent estimate of the national sample survey organisation, 16 families out of 1000 in rural areas and three families out of 1000 in urban areas do not have two square meals throughout the year. The Government of India claims that only 26 percent people are living below the poverty line. However, according to the Alternative Economic Survey 2000-01 based on the national sample survey organisation figures, the number of people living below the poverty line in rural areas increased from 35 percent in 1990 to 45.3 percent in 1998. In the urban areas the number remained roughly the same at 35 percent over the same period (Alternative Economic Survey 2000-01). The World Bank estimates that 34.7 percent of the population is living below the poverty line (under \$1 a day) in India (UNDP 2003).

Around 51 percent of the population does not have sustainable access to affordable essential drugs. The infant mortality rate is 68 per 1000; the under-5 child mortality rate is 93 per 1000; 26 percent of children are underweight and 24 percent of the population is undernourished. The maternal mortality ratio is 440 per 1,00,000, and 72 percent of the population does not have access to improved sanitation. A total of 16 percent of the population does not have access to sustainable water sources. Mortality due to malaria is 3 per 1,00,000 population, mortality due to tuberculosis is 42 per 1,00,000, and out of 1,00,000 population, 199 persons suffer from tuberculosis (UNDP 2003). In India, women are discriminated against in every nook and corner of the country. Women and children account for 73 percent of those living below the poverty line.

Around 35 percent of the population is still groping in the darkness of illiteracy. About 50 million children are out of school. Among children between six and ten, the total enrolment is 86 percent. Even if the enrolment is high, the dropout rate is over 50 percent by the time the students move to high school. The gender parity index is 0.82; that means that for every 1000 boys enrolled, there are 820 girls seeking admission (UNDP 2003).



Due to the onset of globalisation, the Government of India is cutting down its welfare budget on the insistence of the World Bank and the International Monetary Fund (see Table 1 below).

**Table1: Central Government expenditure**

Types of Expenditure	Pre-reform period 1985-90		Reform period 1991-97	
	% to total expenditure	% to total GDP	% to total expenditure	% to total GDP
Plan Expenditure	33.5	6.8	28.3	4.8
Development Exp.	56.4	11.5	49.0	8.5
Capital Expenditure	30.1	6.1	22.7	4.0

The table shows that development expenditure has fallen by as much as 3 percent of GDP, the bulk of which comes from a drop in welfare expenditure. ([www.peoplesmarch.com](http://www.peoplesmarch.com), *Economic and Political Weekly*, March 4, 2000.)

The Indian government is boasting that the Indian economy is booming with a growth rate of 8 percent, but the deteriorating social sector in India punctures the boast of a ‘feel good’ economy. Only last year, in 2006, 1.25 million children died. India is trailing in fulfilling the Millennium Development Goals (MDGs) because of non-allocation of requisite money; India needs only US \$900 billion to meet the MDGs.

Against this backdrop, this study has been undertaken to find out to what extent India has fulfilled its obligation of providing ESCR to its citizens under the proviso of ICESCR. The study focuses on three rights: the right to education, the right to health and the right to food. The study has documented the various goals set by the government (laws and policies, budgetary allocation, building of infrastructure, available human resources, etc) and programmes initiated to meet the goals and whether people are enjoying these rights.

### 1.8 Objectives of the Study

*The objectives of the study are:*

- To analyse the government’s initiatives and intervention in terms of allocation of resources for the realisation of ESCR, especially the rights to food, health and education, with particular reference to the marginalised (Adivasis, Dalits, women and children);
- To understand how far people are getting benefits from government initiatives pertaining to ESCR.

### 1.9 Methodology of this Study

1. **Research Design:** We have adopted the survey research design to collect the primary data. Besides, we have done an extensive review of the literature to know the goals and benchmarks, laws, policies, budgetary allocation and other process initiatives of the government to respect, protect and promote the ESCR in India. Further, we have scanned literature of the government

and other sources to document the macro-level outcome related to ESCR in India. We have also resorted to case study research design to understand the role of civil society groups in facilitating people to claim on ESCR.

2. **Area of the study:** The study was conducted in three states of India: Maharashtra, Karnataka and Chhattisgarh. From these three states, primary data was collected from Harapanahally block of Devangiri district in Karnataka, Wada block in Thane district in Maharashtra, and Bodla block in Karwardha district of Chhattisgarh. These blocks have been chosen randomly from the list of blocks that have a majority of either Scheduled Castes (SC) or Scheduled Tribes (ST).
3. **Selection of Respondents:** The respondents of the study were selected in the following ways:
  - ◆ Ten villages were selected randomly from each selected block.
  - ◆ From the selected villages, a list of BPL cards was collected.
  - ◆ From the BPL list the name of SC, ST and Other Backward Castes (OBC) families were identified.
  - ◆ From the identified families 10 percent of families were selected applying the simple random sampling method.
  - ◆ Thus the sample in each state is 100 (10x10) families, and the total sample for the study is 300 (100x3) families.
4. **Data Collection:** Secondary data has been collected through review of literature from the government and other reports brought out by other civil society organisations. Primary data has been collected through a structured interview schedule. Besides, researchers undertook lengthy discussions with the people to cross-verify data.
5. **Focus of the Study:** Unlike other development research, human rights research focuses on the rights of the marginalised that have been denied them. Hence, the study focuses on the ESCR of the Dalits, Adivasis, OBCs and other marginalised people.

### 1.10 Limitations of the Study

ICESCR covers a large area. Besides, there is no standardised concept to conduct study on each provision of ICESCR. However, due to the paucity of time we could only cover right to education, right to health care and right to food. Besides, this study covered three states, and primary data was collected only from one development block from each state. Another major limitation of the study is prevalence of either of the required population of SC/ST/OBC in the studied states, Chhattisgarh, Karnataka, Maharashtra.

### 1.11 Conclusion

In this Chapter, we have set the background for the study of economic, social and cultural rights. In the following chapters we go into the three rights that are the focus of this study namely, the right to education, the right to health care and the right to food. In Chapter Two, the realisation of the right

to education is examined using both primary and secondary data. The Chapter three deals with the right to health care, and Chapter four, the right to food. In the concluding Chapter, an assessment is made with regard to these rights.

## 2. Right to Education

### 2.1 Introduction

Education is a fundamental human right. It is considered central to the realisation of both ESCR and CPR. It is the primary vehicle by which economically and socially marginalised adults and children can lift themselves out of poverty and obtain the means to participate fully in their communities. It has a vital role to play in empowering women, safeguarding children from exploitative and hazardous labour and sexual exploitation, promoting human rights and democracy, and protecting the environment. (General comments of UN committee on ESCR No 13,1999).

### 2.2 International Initiatives

The UDHR, the ICESCR, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Convention on Elimination of all forms of Racial Discrimination (CERD), the Convention on the Rights of the Child (CRC), etc have unequivocally recognised this right. Articles 13 and 14 of the ICESCR have dealt at length with the state's obligation to respect, protect and fulfil the right to education of its citizens. The committee on economic, social and cultural rights, in its general comments (11 and 13), specifies the responsibilities of states in providing education to all. Besides, the general comments provide a framework for launching any study on right to education.

In the world conference on Education for All (EFA), held at Jomtien in Thailand in 1990, 155 countries, including India, made a joint declaration to provide primary education to everybody by the year 2000. In the Dakar Conference, held in Senegal in 2000, a framework of action, popularly known as the Dakar framework of action, declared that every child, youth, and adult should get education by 2015 (see Box 1).

#### **Box 1: Global Initiatives**

Article 28 of the Convention on Rights of the Child (CRC), 1989, says that the state shall do the following:

- Make primary education compulsory and available free to all.
- Encourage the development of different forms of secondary education (including general and vocational education) and make them available and accessible to every child. The state is also expected to introduce free education and offer financial assistance to those who need it.
- Make higher education accessible to all.
- Make educational information and vocational guidance available and accessible to all children.

The world conference on Education for All, held in Jomtien, Thailand, marked a joint commitment by 155 nations and the United Nations to universalise basic education and eradicate illiteracy. The vision of the Jomtien conference was:

- Expansion of early childhood care and developmental activities, especially for poor, disadvantaged and disabled children
- Universal access to, and completion of, primary education by the year 2000.
- Improvement in learning achievements. Reduction of adult illiteracy rates by one half of its 1990 level by the year 2000, with sufficient emphasis on female literacy.
- Expansion of basic education and training in other essential skills required by youths and adults, and increased acquisition by individuals and families of the knowledge, skills and values required for better living and sound and sustainable development, made available through all education channels including the mass media, other forms of modern and traditional communication and social action.

182 countries attended the World Education Forum at Dakar in Senegal, in 2000. The Dakar Framework of Action has been adopted by all of them.

- It recognises the right to education as a fundamental human right.
- It reaffirms commitment to the expanded vision of education as articulated in Jomtien.
- It calls for renewed action to ensure that every child, youth and adult receive education by 2015.

### 2.3 National Initiatives

In India, under the colonial regime, different education commissions and committees laid emphasis on elementary education for every child. The Hunter Commission, way back in 1882, had recommended that the state give maximum emphasis to elementary education. At the Congress meeting in Wardha in 1937, a committee was constituted under the chairmanship of Dr Zakir Hussain, which argued for eight years of education. The Kher Committee set up in 1938-39 argued for eight years of compulsory education for children between the ages of 6-14 years. The inter-university board suggested eight years of compulsory education starting from the age of five. The Central Advisory Board of Education (CABE) set up by the British government in 1944, recommended free primary education for all children between the ages of 6 and 14. The CABE emphasised the importance of universalisation of education and human resources development.

After independence, our constitution makers accorded the highest importance to education and inserted various provisions in the constitution (see Box 2). Article 45 of the constitution assumes special importance because among all the provisions of economic, social and cultural rights which were included in the directive principles of state policy, a specific time frame was given only to provide elementary education to all children.

To streamline the education policy, the Government of India (GOI) constituted the Education Commission (1964-65), popularly known as the Kothari Commission, which recommended five years of primary education for all children to be achieved within 10 years, and seven years of elementary education within 20 years. The GOI declared the National Policy on Education (NPE) in 1986, which set the target of achieving universal primary education (for age-group 6–11

corresponding to classes 1-V) by 1990, and universal elementary education (for age-group 6-14 corresponding to classes 1-VIII) by 1995.

Additionally, the GOI participated in the Jomtien Conference and agreed to implement the vision of the conference. Accordingly, the GOI modified the national policy on education in 1992 through another Programme of Planning (POP), to achieve this objective. The Supreme Court of India, in the Unni Krishnan case in 1993, declared education as a fundamental right.

### **Box 2: Indian Constitution and the Right to Education**

#### **Part III: Fundamental Rights**

**Article 28:** Freedom as to attendance at religious instruction or religious worship in certain educational institution.

**Article 29 (2):** No citizen shall be denied admission into any educational institution maintained by the State or receiving aid from the State on the grounds of religion, race, caste, language, or any of them.

**Article 30:** Rights of minorities to establish and administer educational institutions.

#### **Part IV: Directive Principles of State Policy**

**Article 41:** Right to work, to education and to public assistance in certain cases.

**Article 45:** Free and compulsory education for children within a period of 10 years after the enforcement of the constitution.

**Article 46:** Promotion of educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections.

The GOI also sent its representative to the World Education Forum at Dakar, Senegal in 2000. Back home, the GOI launched the *Sarva Shiksha Abhiyan* (SSA) in 2000 (see Box 3). Elementary education has been made a fundamental right under the 86th amendment to the Constitution. Besides, a central legislation, the Free and Compulsory Education Bill 2004, has been introduced to provide and ensure education for all children. And a total of 19 states have passed legislations related to compulsory education (see Table 2).

### **Box 3: Sarva Shiksha Abhiyan (SSA)**

- All children in school, Education Guarantee Centre, Alternative School, 'Back to School' Camp by 2003
- All children to complete five years of primary schooling by 2007
- All children to complete eight years of schooling by 2010
- Focus on quality elementary education with emphasis on education for life
- To bridge all gender and social category gaps at primary stage by 2007 and at elementary education level by 2010; and universal retention by 2010.

**Table 2: States and the Right to Education**

No.	States	Name of the Act and Year
1	Andhra Pradesh	The Andhra Pradesh Education Act, 1982
2	Assam	The Assam Elementary Education Act, 1974
3	Bihar	The Bihar and Orissa Primary Education Act, 1919, as amended in 1946
4	Chandigarh	The Punjab Primary Education Act, 1960
5	Delhi	The Delhi Primary Education Act, 1960
6	Goa	The Goa Compulsory Education Act, 1995
7	Gujarat	The Gujarat Compulsory Primary Education Act, 1961
8	Haryana	The Punjab Primary Education Act, 1960
9	Himachal Pradesh	The Himachal Pradesh Compulsory Primary Education Act, 1961
10	Karnataka	The Karnataka Education Act, 1983 (Act No. 1 of 1995)
11	Kerala	The Kerala Education Act, 1958
12	Maharashtra	The Bombay Primary Education Act, 1947
13	Orissa	The Bihar and Orissa Primary Education Act, 1919 as amended in 1946
14	Punjab	The Punjab Primary Education Act, 1960
15	Rajasthan	The Rajasthan Primary Education Act, 1964
16	Sikkim	The Rajasthan Primary Education Act, 1964
17	Tamil Nadu	The Tamil Nadu Compulsory Primary Education Act, 1994
18	Uttar Pradesh	The Uttar Pradesh Primary Education Act, 1919
19	West Bengal	The West Bengal Primary Education Act, 1973

As far as the budgetary allocation for education is concerned, Table 3 shows the resource allocation in all the five-year plans in India.

**Table 3: Expenditure during the plan periods on education**

Five-year plans (outlay)	Plan expenditure on Elementary education (in Rs crores)	Plan total expenditure on different sectors of education (in Rs crores)
First Plan (1951-56)	870 (57.6%)	1,510
Second Plan (1956-61)	950 (34.8%)	2,730
Third Plan (1961-66)	2,010 (34.0%)	5890

Fourth Plan (1969-74)	3,743 (48.0%)	7,774
Fifth Plan (1974-79)	5,913 (51.7%)	11,435
Sixth Plan (1980-85)	8,414 (32.0%)	26,187
Seven Plan (1985-90)	28,494 (37.0%)	76,329
Eighth Plan (1992-97)	1,03,940 (47.7%)	2,18,001
Ninth Plan (1997-2002)	1,63,696 (65.7%)	2,49,084
Tenth Plan (2002-2007)	2,87,500 (67.0%)	4,28,500

**Source:** Five-Year Plan Documents, Planning Commission and Analysis of Budget Expenditure, Ministry of Human Resource Development.

The above table shows that the first five-year plan allocated 57 percent of the total allocation on education to elementary education. However, from the second plan onwards, budgetary allocation for elementary education came down till the Eighth plan. The proportion of budgetary allocation for elementary education picked up from the ninth five-year plan. The Tenth five-year plan allocated 67 percent of the total allocation on education to elementary education.

The election manifesto of every major political party has emphasised raising the public expenditure on education up to 6 percent of GDP. Yet the ratio of public education expenditure to GDP has actually declined in the 1990s under successive governments, from a peak of 4.4 percent in 1989 to 2.75 percent in 1998-99. The state governments have tended to refrain from major expansions of public expenditure on education. As a result, public expenditure on elementary education declined in the majority of states in the 1990s (Dreze and Sen 2002:170).

**Table4: Decline instates' expenditure on elementary education**

States	% share of elementary education expenditure in net state domestic product	
	1990-91	1997-98
Maharashtra	1.2	1.3
Orissa	2.5	2.8
Assam	2.6	3.7
Karnataka	2.0	1.9
Himachal Pradesh	4.1	N/A
Rajasthan	2.4	2.5
Haryana	1.2	1.1
Gujarat	1.9	1.6
Tamil Nadu	2.3	1.8
Madhya Pradesh	2.0	1.9
Andhra Pradesh	1.5	1.2

Kerala	3.3	2.1
Bihar	3.3	3.6
Uttar Pradesh	2.5	2.0
West Bengal	1.5	1.0
15 states combined	2.0	1.8

#### Box 4: Expenditure on Education, Art and Culture

The combined expenditure (on education, art and culture) in central and state budgets has registered a significant decline from 3.3 percent of GDP in 1999-2000 to 2.8 percent in 2004-05 (BE). This confirms the fears expressed by many that even though the Union government has been stepping up its budgetary allocations for education in the recent past, the overall allocations for this sector could have fallen because of cuts in social sector spending by the states. This is a consequence of the fiscal crisis of the states in the post-liberalisation era, especially since the late 1990s.

**Table 5: Expenditure on Education, Art and Culture in Union and state budgets (1996-97 to 2004-05)**

Year	Expenditure from the Union budget on Education, Art & Culture (Rs. crore)	Expenditure from budgets of all the states on Education, Art & Culture (Rs. crore)	Combined expenditure from Union and state budgets on Education, Art & culture (Rs. crore)	GDP at current market prices	Expenditure from Union budget is as % of GDP	Expenditure from budgets of all states as % of GDP	Combined expenditure from the Union and state budgets as % of GDP
1996-97	4158.98	33640.62	37154.14	1368208	0.30	2.46	2.7
1997-98	5216.58	37640.44	42312.8	1522547	0.34	2.47	2.8
1998-99	7027.33	46401.72	52695.66	1740985	0.40	2.67	3.0
1999-00	8090.8	56486.8	63173.73	1936831	0.42	2.92	3.3
2000-01	8730.15	56707.84	63756.02	2089500	0.42	2.71	3.1
2001-02	9002.95	60313.02	67881.45	2271984	0.40	2.65	3.0
2002-03	10177.01	61271.51	71117.36	2463324	0.41	2.49	2.9
2003-04 (RE)	11379.77	70144.88	81221.99	2760025	0.41	2.54	2.9
2004-05 (BE)	12390.71	37876.64	85711.73	3108561	0.40	2.38	2.8

**Notes:**

(1) In the figures for Combined expenditure from Union and state budgets, intergovernmental transfers like grants and loans to the states have been netted in the process of consolidation.

(2) GDP at current market prices refers to the 1993-94 series released by the Central Statistical Organisation.

(3) Expenditures from the Union Budget, presented above, include those of the Union Territories, which do not have legislatures. Delhi has been included in the states.

**Source:** Amitabh Behar, Subrat Das, Debdulal Thakur, 'Reaching the Excluded: Need for "New Imagination"', NCAS- CBGA, 2006



**2.3.1. India's progressive achievement towards education**

**Reach and access to elementary schools:** As per government estimates, India has made progress towards Universalisation of Elementary Education (UEE) (see Table 6).

<b>Box 5: Educational programmes in Chhattisgarh</b>	
•	The Rajiv Gandhi Education Mission focuses on increasing the reach of primary education services and creating the requisite environment for education. Around 85% of the project funds are spent in increasing educational levels in rural areas
•	The District Primary Education Programme (DPEP) runs in 15 districts of the state and focuses on regions of extreme poverty and low female literacy.
•	The Education Guarantee Scheme (EGS) aims to ensure that primary education is available within one kilometre of every habitation, and that there should be a minimum of 40 children (25 in the case of tribal habitations) in the 6-14 age group.
•	The state government is also running a pilot scheme for imparting distance learning education in collaboration with the United Nations Educational Scientific and Cultural Organization (UNESCO).

**Table 6: Result of government efforts towards UEE**

<b>Number of Institutions (in lakhs)</b>		
	<b>1950-51</b>	<b>1995-96</b>
Primary Schools (I-V)	2.10	5.90
Upper Primary Schools (VI-VIII)	0.13	1.71
<b>Total</b>	<b>2.23</b>	<b>7.61</b>
<b>Number of Teachers (in lakhs)</b>		
Primary Schools (I-V)	5.38	17.40
Upper Primary Schools (VI-VIII)	0.36	11.65
<b>Total</b>	<b>6.24</b>	<b>29.05</b>
<b>Gross Enrolment</b>		
<b>Primary Stage</b>		
Total Enrolment (in million)	19.2	109.73
Gross Enrolment Ratio percentage	43.1	104.30
<b>Upper Primary Stage</b>		
Total Enrolment (in million)	3.1	41.01
Gross Enrolment Ratio percentage	12.0	67.20

**Source:** www.un.org.in/janshala/jan1999

However, many villages in India do not have primary and elementary schools within reach. According to the sixth all india educational survey, out of the 10.6 lakh rural habitations, 8.84 lakh

(83.4%) had primary schools within the national norm of 1 km. Thus, 16.6 percent of habitations were not served by primary schools within a distance of 1 km. In case of upper primary schools, about 23.85 percent of habitations were not served by upper primary schools within the official distance of 3 km. Further, with the setting up of more and more primary schools, physical distance might have receded but what about the social distance?

In many areas, villages are divided into separate hamlets and children from one hamlet may be reluctant or unable to go to school in another hamlet due to caste and other social disparities. Only half of all hamlets in rural India have primary schools, and in states like Uttar Pradesh, the proportion of such hamlets is as low as 30 percent (PROBE Report 1999:1). A total of 4.3 percent girls and 3.5 percent boys have never gone to school because schools are far away from their homes. Besides, 5.9 percent of girls in rural areas have dropped out for the same reasons (National Family Health Survey -II 1998-99, www.indiastat.com).

**Infrastructure in schools:** The sixth all India educational survey also revealed that about 41,198 primary schools and 5,638 upper primary schools were being run in thatched huts, tents and open spaces; about 4,000 schools were without teachers; and single teachers were running 1.15 lakh primary schools. As per recent statistics, around 5 percent of primary schools do not have any classrooms at all, and another 15-20 percent have only one classroom. About 40 percent of schools do not have safe drinking water, and only 15-20 percent of schools have separate toilet facilities for girls.

Only 15 percent of schools have two classrooms, two teachers, basic learning kits and teacher training orientation (Govinda 2002:12). Some 20 percent of primary schools are run by a single teacher; 61 percent of primary schools have no female teacher, and 26 percent of schools have a teacher-pupil ratio above 1:60 (Dreze and Sen 2002:167).

**Dropout rate in schools:** Even those who are enrolled are not finishing their elementary education. The first-ever human development report of India (2001) mentioned that even those who are enrolling in school do not continue with their education. As per the recent statistics available, of the students enrolled in classes I-V, over 40 percent dropped out in 1999-2000 as against 38.2 percent in 1997-98, and nearly 55 percent of students enrolled in classes I-VIII dropped out in the same year as against 50.7 percent in 1997-98.

**Table 7: Reasons for children not attending school in India (1998-99)  
(Children who have never attended school)**

Reasons	Rural		Urban		Total	
	Female	Male	Female	Male	Female	Male
School too far away	4.5	3.8	2.8	1.3	4.3	3.5
Transport not available	0.7	0.6	0.6	0.2	0.7	0.6
Education not considered necessary	13.1	7.8	12.9	6.1	13.1	7.6
Required for household work	15.5	6.7	9.6	4.6	14.9	6.4

Required for work on farm/family business	3.4	5.2	1.2	2.8	3.2	4.9
Required for outside work for payment in cash or kind	2.6	4.3	2.9	4.6	2.6	4.4
Costs too much	23.8	25.8	30.1	28.5	24.5	26.2
No proper school facilities for girls	2.6	0.0	1.1	0.0	2.5	0.0
Required for care of siblings	3.0	0.9	1.7	0.6	2.9	0.9
Not interested in studies	15.9	25.7	15.7	26.5	15.8	25.8
Other	12.8	17.0	18.6	21.9	13.4	17.6
Don't know	2.1	2.0	2.8	3.0	2.2	2.2
<b>Total percent</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Source:** 'Women and Men in India', 2001, Ministry of Statistics and Programme Implementation, Govt of India

A National Sample Survey Organisation (NSSO) survey for the year 1995-96 showed that the dropout rate increases cumulatively with the level of education. It was estimated that of the ever-enrolled persons in the age group 5-24 years, 21 percent dropped out before completing primary level education. Half the children dropped out after attaining middle level school; over three-fourths dropped out before attaining secondary level, and 9 out of 10 persons ever enrolled could not complete their schooling. The children from poorer sections of society dropout in the early stages of education, while those from the better off sections dropout at later stages (Planning Commission 2001:56).

**Table 8: Reasons for children not attending school in India (1998-99)  
(Children who have dropped out of school)**

Reasons	Rural		Urban		Total	
	Female	Male	Female	Male	Female	Male
School too far away	5.9	1.0	1.0	0.2	4.8	0.8
Transport not available	1.6	0.4	0.2	0.1	1.3	0.3
Further education not considered necessary	4.3	2.3	5.4	2.4	4.5	2.4
Required for household work	17.3	8.7	14.7	5.7	16.7	8.0
Required for work on farm/family business	2.9	9.2	1.6	4.7	2.6	8.0
Required for outside work for payment in cash or kind	3.7	9.9	3.0	11.3	3.5	10.3
Costs too much	11.4	13.3	17.0	15.2	12.6	13.8
No proper school facilities for girls	3.5	0.0	1.2	0.0	3.0	0.0
Required for care of siblings	2.3	0.6	1.5	0.2	2.2	0.5
Not interested in studies	24.8	40.0	30.2	42.5	26.0	40.6
Repeated failures	3.7	5.3	6.1	6.0	4.2	5.5
Got married	8.5	0.2	4.9	0.1	7.7	0.2

Other	6.2	5.3	8.2	5.8	6.6	5.5
Don't know	4.0	3.8	5.1	5.7	4.2	4.2
<b>Total percent</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Source:** 'Women and Men in India', 2001, Ministry of Statistics and Programme Implementation, Govt of India

**Elementary education of girls:** Nearly 46 percent of women are unlettered in India. Only 43.6 percent of girl children take admission in primary school. Of these, only 40.1 percent take admission in middle schools (see Table 9). The dropout rate is higher for girls. It was 42.3 percent for classes I-V and 58 percent for classes I-VIII in 1999-2000 (Planning Commission 2001). Intra-female disparities between rural-urban areas and among the general population, Dalits, Adivasis, Other Backward Castes (OBCs) and some minorities are sharp.

**Table 9: Percentage of girls' enrolment at Elementary stage**

Years	Primary School (I-V)	Middle School (VI-VIII)
1950-51	28.1	6.1
1960-61	32.6	23.9
1970-71	37.4	29.3
1980-81	38.6	32.9
1990-91	41.5	36.7
1997-98	43.6	40.1

**Source:** Department of Education (various years), Ministry of Human Resource Development (GOI) as reported in India Education Report 2002.pp-37.

Around 15 percent of girls have never gone to school because of the pressure of household work, and currently, 17 percent of girls are not going to school after being enrolled for the same reason (National Family Health Survey -II 1998-99, www.indiastat.com).

**Elementary education of Dalits:** In the mid-1990s, barely 41.5 percent of Dalits in rural India were literate, and only 62.5 percent of children in the 6-14 age group had been enrolled in school at any point of time (Nambissan and Sedwal 2002:72). The progress of schooling among Dalit children (5-14 years) has been relatively poor compared to that of the general population. School attendance rates in rural areas in 1993-94 were 64.3 percent for Dalit boys as compared to 74.9 percent for non-Dalit boys. A total of 66.6 percent Dalits dropped out in 1997-78 as compared to 60.5 percent for the general population (Planning Commission 2001). There are more non school-going children and dropouts among Dalits. A total of 49.35 percent of Dalit students dropout at primary level, 67.77 percent at the secondary level, and only 22.35 percent Dalit students cross the secondary education (*ibid*).

**Elementary education of Adivasis:** The sixth all india educational survey (1998) shows that 78 percent of the Adivasi population and 56 percent of Adivasi habitations have been provided primary schools within the habitation area. Another 11 percent of the Adivasi population and 20 percent of Adivasi habitations have schools within a 1 km radius. The proportion of Adivasi girls being

educated has increased from 36.5 percent in 1989-90 to 43 percent in 1997-98 at the all-India level. Still, the literacy rate of Adivasis was only 29.50 percent in 1991.

The gap in literacy of Adivasis and non-Adivasis has also increased from 22.50 percent in 1971, to 33.05 percent in 1991. Female literacy among Adivasis is substantially lower than male literacy. It was only 18.19 percent in 1991 (Sujatha 2002:87-94). In 1900-91, a total of 65.52 percent Adivasi students dropped out at the primary level, 78.57 percent at the middle level and 85.01 percent at the secondary level of schooling.

**Education of disabled children:** There are 10 to 15 million children with disabilities in India. Of these, only about 60,000 get an education in about 1,400 special schools, and about 50,000 disabled children are in the integrated education programme. The present coverage of disabled children under the umbrella of education is not more than 1 percent (Dasgupta 2002: 45).

## 2.4 Findings of the Study

In this study we set certain common parameters to fathom the status of right to education in the selected three states. These parameters are adult literacy (age above 14 years), enrolment, children never gone to school, dropout rate, reasons for dropping out, incentives given to retain children in schools, etc.

### 2.4.1 Chhattisgarh

Chhattisgarh was created on November 1, 2000. The government of Chhattisgarh has taken a policy decision that there should not be any primary school without adequate number of teachers. The teachers were appointed for three years in three different grades - Rs 3,000 per month, Rs 2,500 per month and Rs 2,000 per month. The plan outlay on education for 2001-02 as a percentage of total plan outlay for the state was 15 percent, which was much higher than most of the BIMARU states such as Orissa (9.94%), Bihar (8.18%) and Uttar Pradesh (4.44%). This study found that the government of Chhattisgarh has also adopted some measures to ensure right to education of all children (see Box 5).

- 1. Literacy rate of adults (14 years and above):** The literacy rate in Chhattisgarh is 65.18 percent. Male literacy is 77.86 percent and female literacy is 52.40 percent. Chhattisgarh recorded a jump of 24.87 percent in literacy among women from 1991 to 2001. However, in Kawardha district where this study was done, the literacy rate is 55.38 percent. It is 71.35 percent for men and 39.60 percent for women. This means that in Kawardha the literacy rate is almost 10 percent lower than the state and national rates, and there is a wide gender gap of 31.75 percent, much higher than the national gap of 21 percent.

**Table 10: Educational status of respondents (above 14 years) in Kawardha**

Class	SCs (%)	STs (%)	OBC (%)
Primary	12.19	6.89	18.18
Middle	9.75	0.57	13.63
High School	0	0	0
Higher Secondary	2.43	0.57	0

Degree	0	0	0
Post Graduate	0	0	0
Illiterate	75.60	91.95	68.18
Any other	0	0	0
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**Source:** Primary Data

The literacy gap is more glaring among the marginalised sections in Chhattisgarh. As can be seen from Table 9, 76 percent of SCs, 92 percent of STs and 68 percent of OBCs are illiterate in Kawardha district.

- 2. Availability of primary schools and higher primary schools in villages:** The ICESCR stipulates that it is obligatory for the State to ensure that there are a sufficient number of schools. As per government norms there should be one primary school in each village. As per the 1991 census, Chhattisgarh has 20,279 villages of which 19,720 are inhabited. As per the 2001 census, there are 24,594 primary schools and 5,406 higher primary schools in Chhattisgarh. This is interesting because we have more than one primary school in a village. If we go by government statistics, all villages have schools. But each village is composed of many hamlets that are set at a considerable distance from each other. Also the terrain is arduous for children to negotiate.

**Table 11: District-wise schools in Chhattisgarh**

Districts	Pre-Primary	Primary	Middle	Literacy rate (in %)
Bastar	21	2643	376	45.48
Bilaspur	100	2183	561	63.68
Dantewada	10	1250	205	30.01
Dhamatri	15	713	42	75.16
Durg	98	2283	755	75.84
Jangir	29	1520	393	66.26
Janshpur	25	1137	233	65.37
Kanker	61	1026	237	73.31
Kawardha	3	873	137	55.39
Korba	0	892	183	63.24
Korea	37	792	190	63.44
Mahasamund	1	1206	258	67.64
Raigarh	52	1852	425	70.5
Raipur	27	2292	521	68.98
Rajnandgaon	0	1254	361	77.58
Surguja	49	2678	529	55.37
<b>Total</b>	<b>528</b>	<b>24594</b>	<b>5406</b>	<b>65.18</b>

**Source:** State Education Department and 2001 Census

However, the study found that 92 percent of villages have primary schools and 8 percent of villages still do not have primary schools. Setting up schools for the sake of it is not enough; there should be a school building with drinking water, toilet facilities, sitting arrangements, adequate number of rooms, adequate number of teachers, etc. The study found that students of different standards are squeezed together into a single filthy classroom. There is no space to sit comfortably. One teacher teaches the students of one class, and simultaneously he teaches the students of other classes also. There are almost two or three times more children per teacher than the prescribed norm. Most teachers are male, and absenteeism among teachers is rampant. There is no stringent monitoring mechanism to oversee the functioning and performance of each school. The government is irregular in providing textbooks to the students though there is provision for providing books to every student; students manage by either borrowing or buying their textbooks. In terms of availability of higher primary school, the state level data shows that the ratio of higher primary schools to primary schools is 1:5. In Kawardha district, it is 1:6.

From this ratio, one can infer that students will dropout before reaching class VIII. This study found that 80 percent of villages do not have higher primary schools. Some 27 percent of respondents said that they would have to trudge more than five kilometres along a hilly road to reach a higher primary school if they wanted to continue their education after the primary level. To achieve universal elementary education, it is necessary to have a higher primary school in the vicinity.

3. **Accessibility of schools in Chhattisgarh:** In Chhattisgarh, the study found that about 94 percent of Dalit, Adivasi and OBC children study in government schools.

**Table 12: Accessibility of government schools in Chhattisgarh**

Type of School	%
Government School	93.87
Government Alternative School	2.04
Private School	4.08
Schools run by NGOs	0
<b>Total</b>	<b>99.99</b>

*Source:* Primary Data

According to the Economic Survey 2000-01, during 1998-99 the gross enrolment ratio for primary school children in Chhattisgarh was 92.14 percent. But for the upper primary level (classes 6 to 8), the enrolment ratio was only 58 percent during the same period.

**Table 13: Children enrolment and retention rates in Chhattisgarh**

Districts	Child Enrolment (1998)		Retention rates (1994-95)	
	Male	Female	Male	Female
Bastar	44.00%	30.00%	31.30%	23.10%
Bilaspur	81.60%	49.10%	47.70%	42.90%

Dantewada	44.00%	30.00%	31.30%	23.10%
Dhamatri	85.60%	58.50%	66.20%	58.20%
Durg	77.90%	58.30%	67.90%	64.80%
Jangir	81.60%	49.10%	47.70%	42.90%
Janshpur	79.20%	36.90%	54.80%	49.50%
Kanker	44.00%	30.00%	31.30%	23.10%
Kawardha	67.20%	47.60%	59.50%	45.10%
Korba	81.60%	49.10%	47.70%	42.90%
Korea	72.20%	43.70%	70.40%	60.20%
Mahasamund	85.60%	58.50%	66.20%	58.20%
Raigarh	79.20%	36.90%	54.80%	49.50%
Raipur	85.60%	58.50%	66.20%	58.20%
Rajnandgaon	67.20%	47.60%	59.50%	45.10%
Surguja	72.20%	43.70%	70.40%	60.20%

*Source:* Chhattisgarh, A State in Born, 2001 Census

Table 14 shows that the number of children continuing with education from ST families is less than in the SC and OBC families. From ST families, 44.27 percent boys and 41.33 percent girls, in the age of 6-14 years, are out of school. Of the children from the surveyed families and falling in the age group of 6-14 years, 69 percent belong to ST families, 12.9 percent belong to SCs, and 16.12 percent to OBC families and the remaining 1.9 percent are from the open category. Among the said percentages, only 63.87 percent children go to school, 20 percent have never even gone to school and 16.13 percent are dropouts.

**Table 14: Children continuing with education (%)**

	SC		ST		OBC	
	Male	Female	Male	Female	Male	Female
Children of school going age (6-14 years)	<b>8.38</b>	<b>4.52</b>	<b>39.35</b>	<b>29.67</b>	<b>9.68</b>	<b>6.45</b>
Children continuing with education	<b>7.09</b>	<b>3.22</b>	<b>21.93</b>	<b>47.41</b>	<b>7.09</b>	<b>5.16</b>
Percentage (%) of children continuing with education/children in school going age	<b>84.60</b>	<b>71.23</b>	<b>55.73</b>	<b>58.67</b>	<b>73.24</b>	<b>80.00</b>

*Source: Primary Data*

Of the ST families surveyed, the percentage of ST children who have never gone to school and who are dropouts is also much higher than the SCs and OBCs. Another striking outcome reflected in the table is that the number of girls who have never gone to school is more than those who have dropped out. With boys it is the opposite, the dropout rate is higher and the percentage of those who have never gone to school is less (See Table 15).



**Table 15: Children never gone to school and dropouts (age group 6-14 years)**

	SC%		ST%		OBC%	
	Male	Female	Male	Female	Male	Female
Children never gone to school	0	6.45	41.93	35.48	9.67	6.45
Children dropouts	8	0	56	32	4	0

Source: Primary Data

4. **Dropouts:** The dropout rate is an important indicator to measure the performance of states in fulfilling the right to education to all its citizens. In 2000-01, the school dropout rate (Class I8) in Chhattisgarh was 47.15 percent. The dropout rate was higher among SCs (49.95%) and STs (63.68%). In Kawardha district, enrolment of boys was 67.20 percent and of girls, 47.20 percent (Census 2001). There was a difference of almost 20 percent between enrolment of male and female children. Out of the enrolled children, the retention rate was only 59.50 percent in case of males and 45.10 percent in case of females. This implies that 40 percent of male children and 55 percent of female children dropout from school in the district before they complete their elementary education. This study revealed that 60 percent of Dalit children dropout from class 2. Among Adivasis, on an average, approximately 55 percent of children leave school from class 3 (see Table 16).

**Table 16: Dropouts class-wise**

Class	SC dropout rates %		ST dropout rates %	
	Male	Female	Male	Female
Class I	26.66	0	21.66	23.21
Class II	60	0	25	17.85
Class III	13.33	0	51	58.92
Class IV	0	0	1.66	0
Class V	0	0	0	0
Class VI	0	0	0	0
Class VII	0	0	0	0
Class VIII	0	0	0	0

Source: Primary Data

The study reveals that migration of parents is the major reason for dropouts in the state, followed by inability to afford education.

**Table 17: Reasons for dropout**

Reasons	Percentage of dropouts
Migration of parents	17.80
School is not affordable	15.06
Have to look after young sibling	15.06

Education is not important	13.69
Have to earn money for the family	12.32
Have to work in household chores	9.58
Cattle grazing	8.29
Schooling is not interesting	8.29

**Source:** Primary Data

The Government of Chhattisgarh has itself confessed that the reasons for most of these dropouts is the extreme poverty in rural areas and the pressure to work in the fields and in household activities, to earn a livelihood and ensure sustenance. Migration, looking after young siblings and cattle grazing are major reasons for children dropping out of school in Chhattisgarh. Dropout rates are highest among girls primarily because they have to look after their younger siblings at home while their parents are out working, or because the school is located far from their homes, or because a girl is considered more fit for menial work in the house and sending her to school is considered a waste of time and resources.

- 5. Retention of children:** In Chhattisgarh we found that all the children are given only cooked rice as their midday meal. They are told to bring the vegetables, dal and salt from home. Only 13.48 percent of respondents said that the school provides school bags and books. Some 2.24 percent of children get scholarships. Only ST girls are given scholarships of Rs 250 per year.

#### **2.4.2 Karnataka**

In Karnataka, the total literacy rate is 81.05 percent with male literacy at 86.85 percent and female literacy at 74.87 percent. Here the gender gap is only 11 percent. The total literacy rate in rural areas is 59.68 percent and in urban areas, 67.04 percent. The number of primary schools in Karnataka went up from about 25,800 in 1960 to over 46,900 in 1997-98. The sixth all India education survey, 1993 indicated that nearly 91 percent of the population was served with primary schools within the habitation itself, and over 96 percent have schools within one kilometre. Over 60 percent of the population is served by upper primary schools within the habitation area and 85 percent have upper primary schools within three kilometres. Enrolment at primary level went up from 23 lakh in 1959-60 to 82 lakh in 1999. Karnataka has over 50,000 schools of which 22,342 are Government Lower Primary Schools and 26,374 are Government Higher Primary Schools (Human Development in Karnataka, 1999).

The departmental expenditure on elementary education is Rs 1,758 crore as against a total educational expenditure of Rs 2,886.65 crore. Elementary education gets 54.5 percent of this, followed by secondary education at 32.7 percent. The per capita expenditure on education in the state is Rs 493.9. Karnataka spends 3.2 percent of its state domestic product on education, and 90 percent of this goes towards teachers' salaries.

There is no dearth of infrastructure in schools. There is lack of adequate education material and appropriate teaching staff alongwith close monitoring. The researchers were surprised to find that those who were recruited as Hindi teachers were unable to speak Hindi or understand it. When the

researchers started talking in Hindi to the students for whom Hindi is a compulsory subject, they discovered that the students did not understand anything. The same is the case with English. The researchers also noticed that in most of the Lambani dominated villages, children are neither able to speak or understand Kannada, yet the teacher speaks only Kannada and teaches only in Kannada.

According to the Human Development Report for Karnataka (1999), out of a total estimated child population of 94 lakh in the 6-14 age group, 26 lakh children are out of school. Estimates of out-of-school children in the state range from 3 million or 27.7 percent of the total child population in the 6-14 age group, in the Human Development Report (HDR) for Karnataka 1999, to 11.12 percent as per a government of Karnataka report. According to the HDR report, 43.71 percent of the enrolled children dropout before they reach class 7. Out of every 100 children who join primary school in Karnataka in class 1, 50 have left by the time they reach class 6. Only eight out of every 100 children finish twelve years of schooling. In rural areas, the figures are even more dismal: only three out of every 100 children who join school in class 1 finish twelve years of schooling (sixth all india education survey, 1997).

**1. Literacy Rate of Adults (14 years and above)**

**Table 18: Educational status of respondents (above 14 years) in Karnataka**

Class	SCs	STs	OBCs
Primary	6.38	15.38	6.17
Middle	4.79	0.96	3.70
High School	5.85	7.69	8.64
Hr Secondary	6.39	3.85	2.47
Degree	0	0	0
Post Graduate	0	0	0
Illiterate	76.06	72.12	79.02
Any other	0.53	0	0
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Primary Data

A total of 76 percent of SC 72 percent of ST and 79 percent of OBC respondents were illiterate.

- 2. Availability of Primary and Upper Primary Schools:** The sixth all india education survey, 1997, found that 85 percent of schools have two rooms or less, and of these schools, 38 percent have 50 children, and 41 percent have 100 children. Eighty-nine percent of schools have two or less teachers. The majority of schools have books, but the cramped conditions of the schools makes it impossible to store or utilise the books properly. Only 36 percent of the schools have playgrounds, which are in a usable condition, 23.94 percent have drinking water and 4.57 percent have toilet facilities.

In field investigation the researchers found that all the villages have a government primary school with sufficient rooms and a concrete structure. But most of the schools do not have

drinking water and toilet facilities. However, recently, the state government declared that each school would be given Rs 25,000 for construction of toilets and Rs 10,000 for providing drinking water. In some schools the researchers found that the government has supplied musical instruments and in some schools the government has supplied a tape recorder with transistor for using the school radio programme 'Keli-Kali'. However, teachers rarely used the transistor. About 80 percent of schools the researchers visited had a playground. Teaching instruments were supplied regularly. The researchers found that in one higher primary school, students were drawing with computers supplied by the Azim Premji Foundation.

#### Box 6: 'Keli-Kali' Educational Radio Programme

'Keli-Kali' is a radio programme on AIR, covers about 50,000 schools and 70 lakh children. The broadcast started from ten stations of AIR in 2000-01, aiming at Classes III-V of the schools in some of the backward northeastern districts of the state.

<http://www.sristi.org/rjmc/shiksha>

The study found that all the villages have primary schools within 1 km, and 67.27 percent villages have upper primary schools within 1 km of their villages. A total of 6.36 percent respondents said that they have to walk around 5 km to reach the nearest higher primary school. Teacher-student ratio is almost 1:50 in all schools. Most of the primary schools are being converted to higher primary schools.

- 3. Accessibility of schools:** The Karnataka State Plan of Action for Children (KSPAC, 2003-2010) claims that 98 percent of the population has accessibility to a Lower Primary School within 1 km of their habitations and to a higher primary school within 3 km.

**Table 19: Accessibility of government schools**

Type of school	%
Formal school run by the government	97.74
Non-formal school run by the government	2.25
School run by NGOs	0
<b>Total</b>	<b>100.00</b>

*Source:* Primary data

The study found that 97.74 percent children study in formal schools run by the government. The researchers didn't find any private school or school run by an NGO in the villages where the study was conducted. Only one NGO 'REACH' was running two pre-primary centres and non-formal schools for child labourers.

Table 20 shows that 78.06 percent of boys and 69.41 percent of girls in the age group of 6-14 years and from SC families are out of school. In the same age group, 50.05 percent of ST boys and 46.75 percent of ST girls, and 22.21 percent of OBC boys and 55.60 percent of OBC girls are not in school.

**Table 20: Children continuing with education**

	SC%		ST%		OBC%	
	Male	Female	Male	Female	Male	Female
Children of school going age (6-14)	27.70	33.11	10.81	10.14	12.16	6.08
Children continuing with education	6.08	10.13	5.40	5.40	9.46	2.70
Percentage (%) of children continuing with education/children in school going age	21.94	30.59	49.95	53.25	77.79	44.40

**Source:** Primary data

The Karnataka field survey shows that among SCs, more girls dropout of school than boys. The ratio of boys never enrolled in school education is more than that of girls. Table 21 reveals that in ST families, the dropout percentage is more among both girls and boys. In the case of OBC families, the data collected shows that the children who are out of school are those who have never gone to school, and girls are more likely to dropout after some classes.

**Table 21: Children never gone to school and dropouts**

	SC%		ST%		OBC%	
	Male	Female	Male	Female	Male	Female
Never gone to school	47.37	21.05	5.26	5.26	21.05	0
Dropouts	32.39	42.25	9.85	8.45	0	7.04

**Source:** Primary data

4. **Dropouts:** In standard 2, more children among SCs dropout, both boys and girls, while more boys among STs and girls among OBCs, dropout. More girls among STs are prone to dropout in standard 1.

**Table 22: Dropout Status**

	SC Dropout Rates %		ST Dropout Rates %		OBC Dropout Rates %	
	Male	Female	Male	Female	Male	Female
Class I	16.66	13.79	41.66	79.16	0	6.25
Class II	47.5	48.28	43.75	20.83	0	62.5
Class III	35.83	37.93	14.58	0	0	31.25
Class IV	0	0	0	0	0	0
Class V	0	0	0	0	0	0
Class VI	0	0	0	0	0	0
Class VII	0	0	0	0	0	0
Class VIII	0	0	0	0	0	0

**Source:** Primary data

This study was conducted in a drought-prone region of Karnataka where migration is a common problem. People migrate just to earn Rs 50-60 per day. In Harapanahalli, the daily wage is just Rs 20 for men and Rs 10-15 for women. Therefore, people migrate to get minimum wages. But this migration causes major problems for the children, and 20 percent of the children dropout of school because of the parents' migration. The researchers felt that the low minimum wage is the root cause for dropouts in this part of Karnataka. Both mother and father work not less than 12 hours a day to earn only Rs 35-40 per day. During their absence, the eldest child, girl or boy, looks after the younger siblings and does the housework. It is because of the perennial poverty that parents send their children to earn extra money despite knowing the importance of education. For them, today's food is more important than tomorrow's empowerment and capabilities.

**Table 23: Reasons for dropouts in Karnataka**

Reasons for dropouts	Percentage (%)
Migration of parents	20
School is not affordable	19
Have to look after young sibling	17
Have to do household work	13
Have to earn money for the family	12
Schooling is not interesting	8
Education is not important	6
Cattle-grazing	5

**Source:** Primary data

5. **Retention of children:** The Government of Karnataka provides free uniforms and textbooks to all children in classes I-IV (in government schools). SC/ST children in classes V-VII are also given free uniforms and textbooks. SC and ST girls studying in classes V-VII are provided a school bag as an incentive to continue their education beyond the lower primary level. Health cards have been provided to all schools. Each child in classes I-IV is given a health check up (Karnataka Human Development Report 1999).

All the schools provide a mid-day meal (cooked rice with *sambar*) to all children. The children find the rice with *sambar* very delicious because at home they eat only *ragi ki roti* with chilly chutney. It is because of the mid-day meal that many children are coming to school. However, after lunch, many children disappear from school to look after young siblings and contribute to household work.

The researchers found that this year (2003) the state government has not provided school uniforms and school bags. There was no health check-up for the children either.

### 2.4.3 Maharashtra

In Maharashtra, 77.27 percent of the people are literate; male literacy is 86.27 percent and female literacy is 67.51 percent. In Thane district, where this study was conducted, there was 81 percent

literacy -86.06 percent male and 75 percent female, all of which is higher than the state average. Thane district has 40,516 villages, and 36,982 villages have primary schools, 17,621 villages have upper primary schools, 6,821 villages have secondary schools and 1,234 villages have higher secondary schools (1993 figures from www.indiastat.com). The state government has fixed the norm of one primary school for every 1.5 km of habitations with a minimum population of 200. For tribal areas, this applies to every one-kilo meter with a population of 100.

Since 1985-86, education up to standard 12 has been free for girls in the state. Education up to standard 10 has been free for boys since 1996-97. The expenditure incurred by the government per student in 1996-97 was Rs 1,579 for primary schools and Rs 2,046 for secondary schools. The proportion for elementary education was around 45 percent of the total education budget from 1988-89 to 1995-96. In 1996-97 to 1998-99, it increased to around 50 percent of the total expenditure on education. The education budget was 17.3 percent of the state budget (Human Development Report Maharashtra, 2002).

**Table 24: Actual expenditure on Elementary education**

Description	Actual expenditure 1996-97	Actual expenditure 1997-98	Actual expenditure 1998-99
Total expenditure on education	36,869.9	43,040.4	46,564.9
Expenditure on elementary education	18,698.0	21,482.2	23,271.9
Percentage (%) of expenditure on primary education to total expenditure	50.71	49.88	49.98

**Note:** Expenditure is Rupees in million

**Source:** Human Development Report Maharashtra, 2002.

**1. Literacy rate of adults (14 years and above)**

**Table 25: Educational status of respondents (above 14 years) in Maharashtra**

Class	STs
Primary	8.68
Middle	6.94
High School	7.98
Higher Secondary	1.38
Degree	0.69
Post Graduate	0.34
Illiterate	73.95
<b>Total</b>	<b>100.00</b>

**Source:** Primary data

In Maharashtra, 73.95 percent of ST respondents were illiterate. Data for SCs and OBCs is not given because responses were not statistically significant since the study was mainly conducted in a place that is inhabited by Scheduled Tribes.

2. **Availability of primary school and higher primary school in villages:** The study found that all the villages had a primary school run by the government. However, all the villages did not have a higher primary school. In 60 percent of the villages, children had to walk two to three kilometres to reach the nearest higher primary school.
3. **Accessibility**

**Table 26: Accessibility of schools**

Type of school	%
Government school	95.45
Government alternative school	0
Private school	1.14
School run by NGOs	3.41
<b>Total</b>	<b>100.00</b>

**Source:** Primary data

The study found that 12.77 percent ST boys and 14.72 percent of ST girls had not gone to school. Whereas in the surveyed OBC and SC families, all children in the age group of 6-14 years were continuing their education (See Table 26).

**Table 27: Children continuing with education**

	SC%		ST%		OBC%	
	Male	Female	Male	Female	Male	Female
Children of school going age (6-14)	2.25	0	52.80	38.20	3.37	3.37
Children continuing with education	2.25	0	46.06	32.58	3.37	3.37
Percentage (%) of children continuing with education/children in school going age	100	0	87.23	85.28	0	100

**Source:** Primary data

In Maharashtra, the state of elementary education was found to be more satisfactory than in Chhattisgarh and Karnataka. No SC or OBC child in the families interviewed was a dropout. As discussed earlier and presented in Table 27, all children from these two categories and in the 6-14 age group are in school. But the situation does not seem to be equally promising for children in ST families. Of the total number of children out of school in this category, 33.33 percent boys are dropouts and 66.67 percent boys have never gone to school, whereas 55.55 percent girls in the same category are dropouts.



**Table 28: Children never gone to school and dropouts**

	SC		ST		OBC	
	Male	Female	Male	Female	Male	Female
Never gone to school	0	0	66.66	0	0	0
Dropouts	0	0	33.33	55.55	0	0

**Source:** Primary data

4. **Dropouts:** The dropout rate at the state level is 34 percent for boys and 32 percent for girls. In Thane district, it is 44 percent for boys and 33 percent for girls (HDRM 2002: 91). Only 19 percent males and 17.8 percent females have completed primary school, and 16 percent males and 10.8 percent females completed middle school (*ibid*). However, another source reported that the state-wise gross dropout rate in standards 1-8 during 1999-2000 and 2000-2001 in Maharashtra was 53.72 percent for boys and 60.92 percent for girls. Total dropout rate is 53.72 percent (www.indiastat.com). As per the available data for the year 1998-99, of 100 students who got enrolled in Std 1, only 85 percent of boys and 86 percent of girls remained till they reached Std 4. The dropout rate increases in Std 7 and only 69 percent of boys and 66 percent of girls continue schooling (HDRM, 2002). Dropout rates for boys and girls are quite similar up to Std 4 but diverge as the children progress to higher classes. (See Table 29). In Maharashtra, the gross dropout rate up to 1999-2000 was 57.1 percent, which is almost 10 percent less than the national average dropout rate.

**Table 29: Dropout Status**  
**Gross drop-out rates in classes 1-8 in Maharashtra (1999-2000 & 2000-2001)**

	Year	Boys	Girls	Total
Maharashtra	1999-2000	53.72	60.92	57.1
India	1999-2000	66.58	70.6	68.28

**Source:** Annual Report 2001-02, Ministry of Human Resource Development, Government of India.

**Table 30: Dropouts among STs**

Class	Dropouts %		
	Total	Male	Female
Class 1	13.33	11.11	16.67
Class 2	6.66	0	16.67
Class 3	26.66	33.33	16.67
Class 4	20.00	22.22	16.67
Class 5	20.00	11.11	33.33
Class 6	6.66	11.11	0
Class 7	0	0	0
Class 8	6.66	11.11	0

**Source:** Primary Data

The study revealed a startling fact: that the majority of children are dropping out from school because schooling is not interesting. It implies that there are some fundamental problems with the teaching method, which does not conform to the values and ethos of the students. Another serious impediment to schooling was the fees; more than 17 percent of children gave up schooling because they couldn't afford it. This punctures the big boast of the government that it is providing free education to all children.

**Table 31: Reasons for dropouts**

Reasons for dropouts	% (Total)
Schooling is not interesting	34.78
Have to look after young siblings	21.73
School is not affordable	17.89
Have to earn money for the family	17.39
Migration of parents	4.34
Education is not important	4.34

*Source:* Primary data

5. **Retention of children:** In Maharashtra all the children were given a cooked lunch. Around 28 percent of respondents said that their children were given uniforms, and 37 percent of students were getting books. Around 11 percent students were getting yearly scholarships from their schools (see Table 32).

**Table 32: Incentives to retain children**

Incentives provided at govt school	%
Cooked food	57.84
Cooked food, uniform, bag and books	17.64
Cooked food, bag and books	10.78
Cooked food, uniform, bag, books and scholarship	6.86
Cooked food and uniform	2.94
Cooked food, bag and books, scholarship	1.96
Cooked food and scholarship	1.96
<b>Total</b>	<b>100.00</b>

*Source:* Primary data

The union ministry of human resources development has pulled up the Maharashtra government for not doing enough for primary education. In 2003-04, the state government spent only 7 percent of the funds allocated to it under the *Sarva Shiksha Abhiyan* (SSA). Of the Rs 620 crore it was allocated, the state spent only Rs 45 crore till March 2004. (quoted in *Times of India*, March 18, 2004).

## 2.5 Conclusion and Recommendations

- **Adult Literacy Rate:** It is acknowledged both by the government and the people that the Total Literacy Campaign lost the momentum it had gathered from 1989- 1992. Consequently it became a routine government programme for the bureaucracy. The impact of the literacy campaign is marginally significant in the disadvantaged strata of society, especially the tribals in remote areas. In Chhattisgarh, the adult literacy rate is very low among STs at 8 percent compared to 24 percent for SCs and 32 percent for OBCs. In Karnataka, the literacy rate is 24 percent for SCs, 28 percent for STs and 21 percent for OBCs. In Maharashtra, almost 95 percent of respondents were STs and the adult literacy rate was only 16 percent.
- **Infrastructure facilities and retention of study among children:** In Chhattisgarh, the ratio of higher primary schools to primary schools is 1:5 and in Kawardha it is 1:6. In Kawardha district, 8 percent of villages do not have even a primary school. Geographical conditions were the main reason for children not continuing their education from primary to higher primary. For a child in the age of 6-14 years, hilly forested roads are difficult to traverse as is the distance of five kilometres from home to school. This discourages ST families from allowing their children to continue their studies. Schools in Chhattisgarh do not have enough classrooms to accommodate all the children, and in many places the higher primary school is run in a panchayat building. Lack of drinking water and toilet facilities in schools are common and there are few playgrounds.

The teacher-student ratio of 1:50 is almost the same in all three states. Karnataka is better in terms of availability of higher primary schools; approximately 67 percent of villages have one within a distance of 1 km. But for 6.36 percent of respondents the distance was not less than 5 km. The school structure in Karnataka was good with a sufficient number of classrooms. The government also provides musical instruments, transistors and tape recorders to schools as teaching aids. In Karnataka, 80 percent of schools have playgrounds. Maharashtra is better off than the other two states. Villages selected for the study had primary schools and there were higher primary schools at a distance of 2-3 km from the children's homes. However, there were not enough classrooms and toilet and drinking water facilities were poor. Only 50 percent of schools had drinking water facility of any kind and almost 70 percent of schools had no toilet facility. The teacher-student ratio was unsatisfactory; in all three states one teacher handles two to three classes.

- **Accessibility:** In all three states the majority of children attending school were found studying in government schools. In government-run schools enrolment was 94 percent in Chhattisgarh, 97 percent in Karnataka and 95 percent in Maharashtra.
- **Dropouts:** In Chhattisgarh, greater numbers of SC and OBC children are in school, but 44.27 percent ST boys and 41.33 percent ST girls are out of school. The percentage of dropouts and children never gone to school is also more among ST families. The government of Chhattisgarh accepts that the reason for school dropouts is the extreme poverty in rural areas. The pressure to work in the fields, perform household chores and share the burden of earning a livelihood for the family keeps children out of school. Another major reason identified in the study was migration of parents, affordability of school education, taking care of siblings and taking cattle for grazing. The importance attached to a school education is still not recognised in ST families.

Thirteen percent of the families of children not attending school think that school education is not important and 8 percent of families did not find schooling interesting. The distance of the school from the home was another major reason why girls did not pursue a school education.

In Karnataka, of the total number of children in SC families in the age of 6-14 years, 76 percent boys and 69 percent girls were out of school. Among ST families, 50 percent boys and 46 percent girls were not in school. Among OBCs, 55 percent of girls and 22 percent of boys were not in school. Among SC and OBC families the number of girls dropping out was more than of boys. Among ST families, the number of dropouts and of children who had never gone to school were equally high for girls and boys. The migration of parents was a major reason for children dropping out in Karnataka. Besides this, not being able to afford a school education, the need to look after siblings and to earn in order to augment the family income were other important reasons for children not continuing with school education. For girls, housework was a major reason for discontinuing their education.

In Maharashtra, children in the school-going ages of 6-14 years continued their education except 12.77 percent boys and 14.72 percent girls from ST families. The dropout rate among ST boys and girls is more than the rate of children never admitted to school. In Maharashtra, the dropout continued till Std 8 whereas in Karnataka and Chhattisgarh children dropped out mainly in the primary classes. One of the major reasons for non-attendance is that the school is not interesting. Besides, looking after siblings, being unable to afford school education, and contributing to the family income were other important reasons for dropping out.

While the gross enrolment rate has increased significantly over the years, retention and completion rates are still a cause for concern. Even among those who survive the first five years of school, achievement levels are deplorably low. The National Sample Survey Organisation (NSSO) 52nd round data reported that almost 47 percent of children who dropout of school cite inability to cope academically and lack of interest in studies as the predominant reasons (India Education Report, 2002).

- **Retention of children in school:** From 1995, the Government of India began implementing a national mid-day meal programme in all states as one of the strategies to bring more children to school and to attend to their health and nutritional needs. In practice, the mid-day meal provides little in the way of nutrition. In Chhattisgarh, only rice is served. In Karnataka and Maharashtra, the mid-day meal scheme was found to be operating well.

To bring greater numbers of children from disadvantaged sections to school, free books, school uniforms and scholarships are to be distributed by state governments. In Chhattisgarh, it was found that merely 13.48 percent of children get bags and books. Girls from ST families receive a scholarship of Rs 250 per year as against Rs 318 per year which the National Council of Applied Economic Research estimates is the requirement for primary education. State governments must provide school uniforms to girls and books to SC and ST children but in 2003 no books and uniforms were distributed. Karnataka provides books and uniforms, but in 2003, the supply had not reached the schools. The Karnataka Government has also initiated a health card scheme for regular health check-ups, but no checkups were done. In Maharashtra, 37 percent of students were getting books, 11 percent of students were getting scholarships and 28 percent were getting school uniforms.

The UNDP Human Development Report 2003 says that the costs associated with education discriminates against the poorest people by eating up a large share of limited household budgets. Uniforms are often the biggest cost for parents. In eight states in India together containing two-thirds of Indian children out of school, uniforms are one of the largest out-of-pocket education expenses.

From the study it is clear that India has to go a long way to realise the dream of achieving Universalisation of Elementary Education (UEE). One-third of its population (34.62%) in the age group of seven years and above is illiterate (Census 2001). The approach paper of the Tenth five-year plan estimates that 80 million children are not in school. The Millennium Development Goals campaign says that despite promises made in the Sarva Shiksha Abhiyan to achieve 100 percent enrolment by December 2003, about 50 million children are still out of school. The Education For All (EFA) monitoring report, released by UNESCO on November 6, 2003, cautioned that India is 'at risk of not achieving the goal by 2015'.

India has miserably failed to fulfil the right to education of girls, Dalits, Adivasis, and the disabled. Now under the Sarva Shiksha Abhiyan, the central and state governments are promoting low cost second track education schemes like Education Guarantee Scheme, Non Formal School, Shiksha Karmi Project etc, under mounting pressure from national and international campaigns to provide elementary education to all children. But the second track education is gradually turning to second grade education jeopardizing the quality, equity and sustainability of education. This system of education poses the real danger of diluting the right of underprivileged children to quality education (Dreze and Sen 2002:170).

As per the ICESCR and the Constitution of India, children are supposed to get free elementary education up to 14 years, and the government claims that children are given free education. But the reality belies the claim of the government.

### **2.6 Civil Society Initiatives in Education**

The right to education has been at the centre of human rights discourse for reasons that it would enhance understanding of life and situations among the citizens of the world. This has been recognised by the practitioners of education as a means of political education and aware citizenship in every country. On one hand where the state responsibility in ensuring and imparting proper education to its citizen stands imperative, on the other hand the initiatives started by concerned civil society individuals and groups suggesting better educational models and providing education to all is added value to the ongoing efforts on education. The analysis of the state initiatives on education represents the larger picture; nonetheless, it is important to understand civil society initiatives for improving the access and quality of education. This section documents some of the key and innovative civil society initiatives for guaranteeing education for all.

#### ***Bhonga Shala: Education Model for Migrant Children***

*Vidhayak Sansad of Maharashtra* created a model for education of migrant children with the Bhonga Shala project in 1995-96. Bhonga Shalas are special schools for migrant, tribal child labourers

working in brick kilns in Thane district in Maharashtra. Bhonga Shalas are temporary structures constructed of reeds and grass where classes are held.

Female teachers are appointed from the concerned village, who stay with the children for six months full time and are also responsible for inculcating cleanliness and hygiene in the students. Due to the similarity between their homes and these structures, children who may otherwise be scared of formal school buildings, feel at home. Teaching methods use song and dance for improved retention and interest in the students.

The ultimate aim of these schools is to integrate children into the mainstream formal education system and the number of such children is increasing.

### The year wise status of Bhonga Shalas

Year	No of schools	Enrolment	Appeared for exam	No of passed	% passed
1995-96	05	457	255	218	85
1996-97	11	1133	662	590	89
1997-98	22	2093	967	827	85
1998-99	30	2080	1015	922	91
1999-2000	44	2784	1481	1422	96
2000-2001	60	3500	-	-	-

**Source:** Data from the education department of Vidhayak Sansad

### *Kerala Sastra Sahitya Parishad: Campaigning for literacy*

In 1989, the *Kerala Sastra Sahitya Parishad* (KSSP), one of the pioneering People's Science Movements (PSMs) in the country, undertook a massive literacy campaign in the district of Ernakulam in collaboration with the district administration. KSSP made use of its time-tested medium of *kalajathas* (cultural caravans) to reach every nook and corner of the district to create awareness of the literacy programme. The district administration and KSSP, along with various other voluntary and mass organisations worked hand in hand on the platform of the now famous *Zilla Saksharatha Samithi*. Hundreds and thousands of young men and women became voluntary literacy teachers. The campaign approach of Ernakulam proved to be a major success as there was a substantial response to literacy efforts in the district.

Later, in 1989, when the National Literacy Mission (NLM) decided to replicate the Ernakulam experiment nationwide with the idea of a broad-based experiment for propagating literacy, the All India People's Science Network (AIPSN), at the request of the Government of India, decided to form the *Bharat Gyan Vigyan Samithi* (BGVS) with the primary responsibility of placing literacy on the national agenda.

**Source:** <http://www.kssp.org.in>

### ***Bharata Gyan Vigyan Samiti: Mass Literacy Movement by Civil Society***

A voluntary agency, *Bharat Gyan Vigyan Samiti* (BGVS) formed in 1989 with the primary objective of creating an environment conducive to literacy. This initiative was to facilitate mass literacy with an understanding that it will provide necessary vigour and capability for rapid change. Started under umbrella of the 'People's Science Network' (PSN) this initiative was aimed to facilitate political, social and scientific education to masses. BGVS considers literacy as a possible starting point for social transformation, and a means for a crusade against conditions that maintain illiteracy, communalism, and dependence & oppression. The central slogan of BGVS has been "science and literacy for national integration and self-reliance". Through this, it seeks to capture the "emotional" support of the people. It is intervening in areas such as universalisation of elementary education, science popularisation, participatory watershed development programmes, rural enterprise programmes, library and cultural movements, health, environment protection and sustainable models of development.

The need for initiating mass action for bringing about change in the social order BGVS has been involved in large-scale mobilisations for literacy through the powerful medium of *kala jathas*. One of the most significant outcomes of the literacy campaign of BGVS in 1990's has been the formation of '*Samata*', a campaign under which a large number of community-based women's organisations have come together to collectively address issues related to women and to transform it into a women's movement. Today, BGVS has units in 22 states and union territories and plays an active role in supporting the TLCs (Total Literacy Campaign's) in more than 250 districts.

**Source:** <http://www.kssp.org.in> and [http://www.dorabjitatrust.org/annual\\_rep](http://www.dorabjitatrust.org/annual_rep)

### ***Centre for Learning Resources: Early Childhood Development and Elementary Education Initiative***

The CLR is a non-profit, non-governmental organisation (NGO) located in Pune, India. It is working in early childhood care and development and elementary education since 1984 in Maharashtra and other. Set up as a resource centre to support efforts in early and primary education, the centre has developed resources for materials development and training of teachers, as well as supervisory staff. Especially rich in mathematics material for primary school, the centre has recently developed material for the education of tribal children, a particularly difficult area of work.

**Source:** [www.clrindia.net](http://www.clrindia.net)

### ***Ekalavya: Institute For Educational Research And Innovative Action***

In the early years of the decade of the 1980s, a group of educationists and social activists met to discuss the possibility of setting up an institute for educational research and innovative action in the Indian state of Madhya Pradesh. This group had a long association with a pioneering science education project that had started in 1972 and was then running in around 225 middle schools of Hoshangabad district of Madhya Pradesh. Known as the Hoshangabad Science Teaching Programme (HSTP), this project was a collaborative venture between two non-governmental

organisations, Friends Rural Centre (FRC) and Kishore Bharati (KB), and the education department of the Government of Madhya Pradesh.

The continuing impact of Eklavya's interaction with people's science movements was seen in the early half of the 1990s with the establishment of a vibrant network of nearly 100 'Chakmak clubs', beginning with the Dewas region and later spreading around the field centres in Hoshangabad district (1992). These clubs, run entirely by local students and village youth, served as out-of-school meeting points for students to pursue creative activities and projects and develop their leadership qualities. The children themselves began organising activities that the Eklavya field centres had been conducting earlier in villages, such as bal-melas, creative workshops, study groups, libraries, etc.

The Chakmak clubs in Hoshangabad were later modified into '*bal-samoohs*' (2000), which are essentially centred around libraries run by village youth from their homes. The activities of each *bal-samooch* are managed by a team of three or four youths and this forum, like the *chakmak clubs*, provides an outlet for channelising the creative faculties of children in villages and developing the leadership abilities of the organising team.

<http://www.eklavya.in>

### ***M V Foundation: Education of Child Workers in Andhra Pradesh***

The M V Foundation is an organisation active in the field of education of child workers. Foundation organises regular 'camps', where working children find a supportive, stimulating atmosphere in which they learn a surprisingly great amount in the short duration of three months. MVF today works in 491 villages of Ranga Reddy district of Andhra Pradesh. It has so far withdrawn 100,000 children out of work and retained them in schools. In 169 villages in the project area all children in the age group 5-14 years are in school.

Though there are no monetary incentives for parents sending their children to the camps, the demand for these camps has grown dramatically, as also the number of volunteers or motivated teachers. A very high percentage of children who attend these camps acquire a minimum learning level as well as the motivation to go back to school. One of the key reasons for this success is the nature of the relationship established between teachers and children during the camp.

**Source:** <http://education.nic.in> and [www.mvfindia.in](http://www.mvfindia.in)

## **3. Right to Health**

### **3.1 Introduction**

Every year, across the globe, more than 10 million children (30,000 a day) die of preventable illnesses. In Sierra Leone alone, an estimated 18 percent children do not live long enough to reach their first birthday. The maternal mortality rate of 50,000 women per year is a matter of shame. Such alarming statistics show that health, which is central to human and social development, is



well beyond the reach of millions of people worldwide. A burgeoning population, high maternal mortality rates and the heavy burden of both communicable and non-communicable diseases are the daunting challenges that the world still faces. And it defies the historic global pledge of 'Health for All by 2000' set at Alma-Ata 25 years ago.

The fact that, in many countries of the world, health systems have deteriorated-access is poor, quality is poor, and drugs are not available proves that we have not made substantive improvements in the main underlying determinants of health. Unacceptably high levels of poverty, a widening gap between the rich and poor nations, drastic depletion of natural resources and a further degradation of the global environment pose serious threats to human health.

Around 54 countries are poorer now than they were in 1990. The last decade has also seen East Asia and the Pacific, led by China, reducing their poverty levels to almost half, whereas extreme poverty still reigns in South-Asia. South-Asia remains one of the world's poorest regions with more than one-third of South Asians lacking access to improved sanitation, one-third living in poverty, one-quarter hungry, one-fifth of children out of primary school and almost one-tenth of children dying before the age of five. Inequity in accessibility to health care thus remains vital in achieving the human right to health.

### **3.2 World Health Scenario**

Due to the persisting and increasing gap in access to health care, a pregnant woman in Sub-Saharan Africa is a hundred times more likely to die of pregnancy related diseases than a woman in a high-income OECD (Organisation for Economic Cooperation and Development) country. Thus, an analysis of the health situation and its determinants is a story of inequality and unequal distribution.

In the quest for health care delivery, privatisation of health services is an easy solution. However, privatisation poses more threats to accessibility of health care services, as a large section of the poor population cannot afford expensive privatised health services. Specialised health services are meant for the affluent section of the population while a much larger section is left to the mercy of public health care services, which are being rendered ineffective by declining public expenditure. Poverty remains the major cause of ill health across the globe leading to the socio-economic marginalisation and diminishing participation of poor people in the political process. Economic vulnerability surely contributes to the resulting inequality in health outcomes. People living in absolute poverty are five times more likely to die before reaching five years of age than those in higher income groups. This is a central issue of human rights and social justice.

The world health report of 1999 rightly says that because ill health traps people in poverty, sustained investment by States in the health of the poor could help alleviate persistent poverty. If a nation invests in the health of its citizens it improves productivity and creates wealth. On the contrary, what we see today around the world is a growing resurgence of 'diseases of poverty', mostly infections and parasitic diseases, as well as women's reproductive health problems and chronic diseases. Cancer, hypertension, diabetes, obesity, accidents and depression have become serious public health problems worldwide. Third world countries are faced with the double burden of rising incidence of

infectious and chronic diseases. Combating this requires investment and upgrading of public health services, but this is impossible given the economic and political constraints they face.

There has also been a resurgence of 'old diseases' such as tuberculosis, malaria and vaccine-preventable diseases. This is a direct result of increasing poverty, deteriorating living conditions and inadequate health services. New diseases such as HIV/AIDS have appeared and are spreading most rapidly where social and gender inequalities are the greatest. Increasing crime and violence add to this growing health crisis. The same is true for substance abuse, increasing violence, suicide and other 'diseases of despair.' Far from reaching the international goal of 'Health for All by the Year 2000,' the health of humankind is sadly compromised.

### **3.3 Health: A Component of Economic, Social and Cultural Rights**

The World Health Organisation (WHO) defines health as a complete state of physical, mental and social well-being and not merely the absence of disease or infirmity. This holistic health concept views health as a state of equilibrium between a human being's external and internal environment. Health thus is a balanced state or condition of body and mind which defines the ability of a person within his/her respective situation, to exercise the choices available for purposes of personal, professional, emotional and spiritual growth or to protect himself/herself from any ill or diseased environment.

The word 'healthy' denotes the security and successful functioning of the human mind and body. Absence of sufficient income to maintain subsistence requirements of food, shelter and clothing, and insufficient access to essential services of safe drinking water, sanitation, health services and education, accompany poor health. A poor health outcome is the result of socio-economic deprivation, which in turn results in deterioration of economic status partly due to loss of earning and partly due to the heavy cost of health care. Thus health is a fundamental human and social right to strive for.

The WHO's definition of health lays the foundation for right to health as a fundamental human right. This has been carried forward and discussed in important human rights documents including the UDHR. Article 12.2 of the ICESCR acknowledges that the right to health embraces a wide range of socio-economic factors that promote conditions in which people can lead a healthy life, and extends to the underlying determinants of health, such as food and nutrition, housing, access to safe and potable water and adequate sanitation, safe and healthy working conditions, and a healthy environment.

Realisation of the right to health is closely related and dependent upon the realisation of other human rights as contained in the international bill of rights, including the right to food, housing, work, education, human dignity, life, non-discrimination, equality, the prohibition against torture, privacy, access to information and the freedom of association, assembly and movement. These and other rights and freedoms address integral components of the right to health. In fact, the right to health, linked to the fulfillment of basic needs – food, shelter, education, etc, is an integral part of the right to life that demands a life with dignity and self esteem.

Good health, ‘a balanced body and mind’, contributes to economic stability and political consciousness and enhanced social status. Good health is an asset for humans, and it is the State’s responsibility to assure health protection, timely and appropriate health care, and also address the underlying causes of ill health of all its citizens.

### ***3.3.1 Human rights and health as enshrined in international treaties***

In 1946, WHO defined health in its constitution, and in 1948, the UDHR reaffirmed this by saying that everyone has the right to a standard of living adequate for the health, medical care and economic and social security in times of sickness or disability as explicitly embedded in Article 25. In 1978 this vision was emphasised in the call for ‘Health for All by 2000 AD’ of the Alma Ata Declaration. Alma Ata stated that primary health care is the key to attaining health for all as part of overall development. It defined primary health care as ‘essential health care made universally accessible to individuals and families in the community by means acceptable to them, through their full participation and at a cost that community and the country can afford.’ Alma Ata was the first to recognise health as a fundamental right.

The right to health also finds mention in article 5 of the convention on elimination of racial discrimination and article 24 of the convention on the rights of the child. Twenty-five years after Alma Ata, the Millennium Development Goals (MDGs) once again extended the scope for the realisation of the right to health and health care. Agreed to and endorsed by 149 countries, the MDGs explicitly indicate the commitment of the international community to uplift millions of people living in poverty and to create an equitable and just space for them in the process of development. Of the MDGs to be attained by 2015, three specifically call for health improvements: reducing child deaths, lowering maternal mortality, and stopping the spread of HIV/AIDS, malaria and tuberculosis. However, the achievement of other MDGs -particularly eradicating poverty and hunger, achieving universal primary education and empowering women -to a greater extent depends on better health status of the people.

The right to health clearly establishes the fact that health is one of the imperative conditions for the realisation of socio-economic and cultural rights. The right to health requires countries to do more than merely provide for comprehensive systems of health care delivery and insurance. It obligates them to undertake measures aimed at promoting individual and community health and at preventing diseases, removing other external causes of morbidity and mortality, eliminating health inequalities and improving the conditions that may hamper achievement of the highest attainable level of health.

The right to health imposes three types of obligations on countries: obligations to respect, to protect and to fulfil human rights. Obligations to respect require countries to refrain from interfering with individual’s rights and dignity; obligations to protect require them to prevent third parties from violating individual’s rights and dignity; and obligations to fulfil require them to take all appropriate legislative, administrative, budgetary, judicial and other measures to ensure progressively greater satisfaction of human rights.

### 3.3.2 *Human Right to Health?*

Every woman, man, youth and child has the human right to the highest attainable standard of physical and mental health, without discrimination of any kind. Enjoyment of the human right to health is vital to all aspects of a person's life and well-being, and is crucial to the realisation of many other fundamental human rights and freedoms. Human rights relating to health are set out in basic human rights treaties (see Box 11).

## 3.4 GOVERNMENTS' OBLIGATIONS TO ENSURE THE HUMAN RIGHT TO HEALTH

The state's obligation to respect the right to health prohibits it from taking action that would directly injure health. The obligation to protect suggests that the State must offer some redress that people know about and can access if violation of the right does occur (Gruskin and Tarantola, 2002). Similarly, the obligation to fulfil the right to health, apart from the obligation to facilitate and to provide, also incorporates an obligation to promote because of the critical importance of health promotion. The immediate obligations include the guarantees of non-discrimination and equal treatment as well as the obligation to take deliberate, concrete and targeted steps towards the full realisation of the right to health, such as the preparation of a national public health strategy and plan of action (ibid).

To determine which actions or omissions amount to a violation of the right to health, it is important to distinguish the inability of the State from the unwillingness of the state to comply with its obligations (Sengupta, 2004). Article 2 (1) of the ICESCR obliges each State party to take necessary steps to the maximum of its available resources. Violations of the right to health can occur through the direct action of states or other entities insufficiently regulated by the state. A state that is unwilling to use the maximum of its available resources for the realisation of the right to health is violating its obligations under Article 12 of ICESCR. If resource constraints render it impossible for a state to comply fully with its obligations, it has to prove that every effort has been made to use all available resources at its disposal in order to satisfy, as a matter of priority, these obligations. However, the general comment 14 clearly states that a State party cannot, under any circumstances whatsoever, justify its non-compliance with the core obligations, which are non-derogable.

### **Box 7 : The human rights at issue**

- The human right to the highest attainable standard of physical and mental health, including reproductive and sexual health.
- The human right to equal access to adequate health care and health-related services, regardless of sex, race, or other status.
- The human right to equitable distribution of food.
- The human right to access to safe drinking water and sanitation.
- The human right to an adequate standard of living and adequate housing.

- The human right to a safe and healthy environment.
- The human right to a safe and healthy workplace, and to adequate protection for pregnant women in work proven to be harmful to them.
- The human right to freedom from discrimination and discriminatory social practices, including female genital mutilation, prenatal gender selection, and female infanticide.
- The human right to education and access to information relating to health, including reproductive health and family planning to enable couples and individuals to decide freely and responsibly all matters of reproduction and sexuality.
- The human right of the child to an environment appropriate for physical and mental development.

### **3.4.1 Government's commitment to ensure human right to health**

The state's obligations to right to health determine the commitments from the states to respect protect and fulfill. States have committed themselves to assure the right to health in different international declarations. In *Agenda 21*, health is seen more in relation with the right to development, and states have agreed that there is insufficient and inappropriate development leading to poverty. In *Habitat Agenda*, state parties have agreed to the view that 'human health and quality of life are at the centre of the effort to develop sustainable human settlements.' States have committed to the goals of universal and equal access to the highest attainable standard of physical, mental and environmental health, and to the equal access of all to primary health care, by making particular efforts to rectify inequalities relating to social and economic conditions, without distinction as to race, national origin, gender, age, or disability. It was acclaimed that good health throughout the life-span of every man and woman, good health for every child are fundamental to ensuring that people of all ages are able to participate fully in the social, economic and political processes of human settlements. And sustainable human settlements depend on the policies to provide access to food and nutrition, safe drinking water, sanitation, and a universal access to the widest range of primary health care services. It is therefore recognised distinctively in *Habitat Agenda* that it is essential to take a holistic approach to health.

## **3.5 Right to Health in Indian Context**

### **3.5.1 Right to Health and Constitution of India**

The Constitution of India also has provisions regarding the right to health. They are outlined in the Directive Principles of State Policy (DPSP) -Articles 42 and 47, in Chapter IV, and are therefore non-justiciable.

**Article 42:** The state shall make provision for securing just and human conditions of work and for maternity relief.

**Article 47:** The state shall regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties, and in particular, the State shall endeavour to bring about prohibition of the consumption, except for medicinal purposes, of intoxicating drinks and of drugs which are injurious to health.

The above articles act as guidelines that the state must pursue towards achieving certain standards of living for its citizens. It also shows clearly the understanding of the State that nutrition, conditions of work and maternity benefits are integral to health.

The right to life in Article 21 of fundamental rights in chapter IV has been extended to include the right to health and health care in its periphery in several judicial decisions. The recognition that the right to health is essential for human existence and is, therefore, an integral part of the right to life, is laid out clearly in *Consumer Education and Resource Centre vs Union of India*. It is also held in the same judgment that humane working conditions, health services and medical care are an essential part of Article 21.

In spite of the constitutional provisions in India, the State's economic incapacity is always presented as the main cause for its failure to fulfil its socio-economic commitments. In truth, the lack of substantial progress is due to the lack of political will on the part of government and inappropriate policy decisions.

### ***3.5.2 Trends in policy development in India***

The focus of the National Health Policy (NHP) of 1983 was the formulation of an integrated and comprehensive approach towards the development of health services, appropriately supported by medical education and research, with special emphasis on PHC and related support services. During the Seventh five-year plan, a great deal was done to establish a health infrastructure, especially in rural areas. The Eighth five-year plan (1992-97) identified 'human development' as its main focus, with health and population control listed as two of the six priority objectives. It was emphasised that health facilities must reach the entire population by the end of the plan period. The plan also identified peoples' initiative and participation as a key element. With the enactment of the 73rd Constitutional Amendment Act (1992), Panchayati Raj Institutions (PRIs) were revitalised, and a process of democratic decentralisation was ushered in, with similar provisions made for urban local bodies, municipalities and *nagarpalikas*.

Recognising the importance of sustainable development, a national conservation strategy and a policy statement on environment and development were formulated in 1992 to bring environmental considerations into the developmental process. Linkages were drawn between poverty, population growth and the environment. The national health policy identified nutrition as a problem needing urgent attention, and in 1993, a National Nutrition Policy was formulated with long and short-term strategies.

The vertically structured family welfare programme needed to be replaced by a more democratic, decentralised alternative. In 1994 a draft national population policy was submitted to parliament as well as a revised report in 1996. It advocated a holistic, multisectoral approach towards population stabilisation, with no targets for specific contraceptive methods except for achieving a national average Total Fertility Rate (TFR) of 2.1 by the year 2010. This has resulted in a radical shift in implementation from centrally fixed targets to a target-free dispensation through a decentralised, participatory approach. A population and social development commission was also established in support of the population policy.

India accepted the recommendations of the International Conference on Population and Development (ICPD), 1994, and has also ratified various international conventions for securing equal rights for women. Following the world summit on survival, protection and development of children in 1990, India formulated a plan of action for children in 1992 with actions that directly and indirectly affect child health.

Despite the commitment to health for all, enormous health problems still need to be addressed. While overall mortality has declined considerably, living standards are still among the poorest in the world. The major constraints facing the health sector are lack of resources, lack of an integrated multi-sectoral approach, insufficient information, education and communication (IEC) support, poor involvement of NGOs, inadequate laboratory services, a manually operated Health Management Information System (HMIS), poor disease surveillance and response systems, and the heavy investments needed in dealing with non-communicable diseases. The problem of gender disparity still manifests itself in various forms as evidenced by the declining female to male population ratio, social stereotyping, violence at the domestic and social level, and continuing open discrimination against the girl child, adolescent girls and women.

In order to address concerns regarding the non-attainment of goals set for 'Health for All by 2000 AD', the government initiated a new policy, the national health policy, 2002. 18 years after the first policy. The main objective of the new policy is to achieve an acceptable standard of good health in the general population of the country. It is to be achieved through increase in access to the decentralised public health system by establishing new infrastructure in deficient areas and by upgrading the infrastructure in the existing institutions.

However, the goal of 'providing universal, comprehensive primary health care services', as stated in the 1983 policy, does not find mention in this new policy document. The new policy acknowledges that India's public health care system is grossly short of defined requirements, its functioning is far from satisfactory, that morbidity and mortality due to diseases that are curable continues to be unacceptably high, and resource allocations are generally insufficient.

The NHP 2002 is quite explicit in its acknowledgment of the poor state of affairs in the health sector. It also recognises globalisation as a concern, takes a critical view of Trade Related Aspects of Intellectual Property Rights (TRIPS) and its impact, envisages regulation of the private health care sector, and proposes to increase the expenditure on primary health care. It recommends increasing public health expenditure from the present 1 percent of GDP to 2 percent of GDP by 2010. The NHP 2002 expresses a valid concern regarding inefficient use of resources of various kinds in the running of the programmes sponsored by the central government, eg, the wastage on account of vertical disease control programmes. But it is silent when it comes to making concrete and worthwhile policy suggestions to improve the situation, and also on the overshadowing of the public sector by the private sector.

Moreover, it is biased towards urban-centric, specialist-based health care by ignoring the pressing needs of primary health care services. It proposes privatisation of secondary and tertiary level care,

ignores the simple fact that 45 percent of the poorest in the country continue to depend on public hospitals for critical indoor care (Qadeer 2002). It also proposes to use Indian health facilities, particularly in the private sector, to attract patients from abroad. It suggests that the income derived from this can be termed 'deemed exports' and should be exempt from taxes. Such a policy is subservient to the interests of the rich and powerful in the global health market but denies minimum health care entitlements to the large numbers of the poor and less well off sections.

Another important point is that the NHP 2002 proposes to strengthen the provision of user fees in public hospitals with the qualification that it will target those who can pay. However, a recent study of user fees in Gujarat, Madhya Pradesh, Orissa, Rajasthan and West Bengal shows that they do not contribute more than 2 percent to the hospital budget (Sen, Iyer and George, 2002). Moreover, identification of those 'who can pay' is an exceedingly difficult task, and often large sections of the vulnerable may get left out of the count of those who cannot pay. Further, strengthening of user fees will inevitably result in driving out substantial sections of the poor from the public health care system.

### **3.5.3 Expenditure and allocation on health in India**

The pattern of public expenditure on health in India speaks volumes about the status of the health sector. Allocation of funds for health programmes in consecutive five-year plan periods shows a steady increase, but in percentage (of GDP) terms, it has declined. This has been due to increased attention to and funding of selective health services from the mid-60s. The introduction of Structural Adjustment Programmes (SAP) sharpened this trend of long focused vertical health programme interventions with service charges in public services, and handing over more responsibility to the private sector. The consecutive plan outlays openly advocate the expansion of private investment in curative care while restricting public spending in preventive services, ie, public health.

The table below shows the declining trend in plan expenditure for public health in different plan periods.

**Table 33: Plan allocation for expenditure on health**

<b>Plans</b>	<b>Health outlay (in Rs crore)</b>	<b>Outlay as % of total</b>
First Plan (1951-56)	65.2	3.3
Second Plan (1956-61)	140.8	3.0
Third Plan (1961-66)	225.9	2.6
Annual Plan (1966-69)	140.2	2.1
Fourth Plan (1969-74)	335.5	2.1
Fifth Plan (1974-79)	760.8	1.9
Annual Plan (1979-80)	223.1	1.8
Sixth Plan (1980-85)	1,821.1	1.9



Seventh Plan (1985-90)	3,392.9	1.9
Annual Plan (1990-92)	1,965.6	1.6
Eighth Plan (1992-97)	7,575.9	1.7

**Source:** Fifteenth Report of Pricing and Availability of Drugs/Pharmaceuticals, Ministry of Chemicals & Fertilisers (Department of Chemicals & Petrochemicals).

In the Ninth five-year plan (1997-2002), the allocation of funds for health was Rs 5,118.00 crore while for family welfare it was Rs 15,120.00 crore. This increased to Rs 27,125.00 crore for family welfare in the Tenth five-year plan (2002-07), whereas the allocation for health was raised to only Rs 9,253.00 crore.

**Table 34: Allocation of funds for Health and Family Welfare (in Rs crore)**

Allocation	Ninth Five Year Plan (1997-2002)	Tenth Five Year Plan (2002-2007)
Health	5,118.00	9,253.00
Family Welfare	15,120.00	27,125.00

**Source:** L.S. (U.S.Q. No. 1413), dated November 27, 2002, answered by A Raja, Minister of State in the Ministry of Health and Family Welfare. Aditya Yogi raised the question. (Parliament Digest, winter session 2002, published by NCAS)

It is to be noted that while every high-income country spends at least 5 percent of its GDP on public health care, India, as a developing country, spends only 0.9 percent of its GDP on health. The expenditure on health as a share of the aggregate annual public expenditure on health is 96.9 percent in China, but in India it is a meagre 17.3 percent. According to the human development report of 2003, India's GDP ranked 0.56 in the world GDP index. But its public expenditure on health amounts to a low 0.9 percent of GDP whereas private expenditure on health as share of GDP is 4 percent. Comparatively, a country like Bangladesh, with only 0.46GDP index, spends 1.5 percent of its GDP on health and allows private expenditure amounting to only 2.6 percent of its GDP.

### **3.5.4 Availability of essential drugs**

The availability of essential drugs in India does not present a different picture. It is said that in countries with a high human development index, almost the entire population has access to essential drugs whereas in countries with a low human development index, the situation is the reverse. In India, less than 50 percent of people have access to essential drugs. But Bhutan, with a low human development ranking, succeeded in providing essential medicines to 80-94 percent of its population.

In India, the systematic deregulation of the pricing of drugs is another reason for pushing up costs in the health sector. When the drug price control order was issued in 1970, all drugs were under price control. In 1979, only 347 drugs were under price control. This number was almost halved to 163 by 1987, and subsequently brought down to 76 in 1995. The pharmaceutical policy of 2002 reduced this number further, to 35 drugs. Today India is the fourth largest drug producer (by volume) in the world, exporting 45 percent of its total production (Duggal 2004).

Per capita drug sales in India have now increased to Rs 300 annually. Research shows that this is more than sufficient to cater to the needs of primary health care of all the people, provided drug production and use is scientifically managed. As of today, only about 20 percent of patients go to

public health facilities for out-patient care. The Tamil Nadu medical service corporation, a public body working for the Tamil Nadu Government, has been buying quality, tested drugs in huge quantities directly from the drug companies at tender rates which are *one-tenth to one-fiftieth* of retail-market prices. This practice can be implemented by public health bodies in other states and can help to reduce the disparity in accessibility to essential drugs. (JSA, Press Release, 'Ensure People's Right to Essential Drugs', 2004)

Based on statistical estimates received from WHO's country and regional offices and through the world drug situation survey carried out in 1998-1999, the department of essential drugs and medicines policy of the WHO divided countries into four categories of classification for people's access to essential drugs. Countries such as USA, UK, Australia and even Sri Lanka have shown the best (95-100 percent access); China, Indonesia, etc came in the 80-94 percent category; Pakistan, Myanmar and Bangladesh were in the 50-79 percent category; and India fell in the last (0-49%) category (HDR 2002).

The National Health Surveys provide clear evidence of the declining use of public health services, from 60 percent for hospitalisations in 1986-87, to 45 percent in 1995-96, and for outpatient care, from 26 percent to 19 percent during the same period (Duggal 2004).

### **3.5.5 Private health sector in India**

In India, the availability of data on the share of the private health sector in total health infrastructure is both inadequate and unreliable, and this is an area demanding urgent attention from both the government and research institutions (India Health Report, 2003).

The spatial distribution of private facilities and doctors between the states, and between the urban and rural areas is also not according to the policy norms of equal access. For example, 12 percent of Himachal Pradesh's hospitals are in the private sector as compared to Kerala's 95 percent. Himachal Pradesh and Madhya Pradesh have negligible presence of qualified medical private practitioners, as compared to developed states such as Kerala, Maharashtra, and Punjab. But unexpectedly, private hospitals are relatively less urban biased than public hospitals: about 31 percent of private sector hospitals and 29 percent of its beds are in rural areas, while only 25 percent of public sector hospitals and 10 percent of its beds are in rural areas (Directory of Hospitals in India, 1998; Nandraj 2000).

The utilisation pattern of private health care in India is dominant in both out-patient (OP) and in-patient (IP) care. Reasons for the poor use of public facilities are many, and across India, the perception is that the private sector responds better to the patient's interests than the public sector. Data from the National Sample Survey 52<sup>nd</sup> round reveals that 44 percent of patients chose the private sector because the doctor was more easily available, 36 percent because they were not satisfied with the treatment in the public sector and 7 percent because medicines are not available. Distance and long waiting time are also quoted as reasons for the poor use of public health facilities. The private sector accounts for 82 percent of all outpatient visits at the all-India level, with no significant variations by income group. The range is from 79-85 percent from poorest to richest quintile, by urban and rural, by gender, caste, or tribe. While the private sector shows a slight edge over the public sector in hospitalisations and institutional deliveries, there is dramatic decline in antenatal care and immunisation.

**Table 35: Share of public and private sector service delivery**

Services	Private sector (%)	Public sector (%)
Immunisation	9	91
Antenatal care	40	60
Institutional deliveries	50	50
Hospitalisation	55	45
Out-patient care	82	18

**Source:** Mahal et al., 'Who benefits from public health spending in India', NCAER, 2000

During the 1990s the public health system was collapsing due to under financing of public health services. The SAP and economic reform programmes, which began in 1992 after the 1991-92 fiscal crises, further shrank resource allocations for public health services. The national health surveys reveal that the rate of hospitalisation has very strong class gradients with the top quintile reporting over ten times the hospitalisation rate of the bottom quintile. This is because of increasing dependence on the market for health care, which makes the poor delay their decision to seek medical care. However, it was the decline in public investment in health care and the introduction of user fees that was the final blow for the poor who make the most use of public health facilities (Duggal 2004).

**Table 36: Health expenditure in India as a ratio to Gross Domestic Product (GDP) at current prices 1975-2002 and hospitals and beds in the private sector**

	1976-76	1980-81	1985-86	1991-92	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Public % GDP	0.98	1.07	1.32	0.88	0.86	0.82	0.82	0.91	0.89	RE 0.87	BE 0.81
Private % GDP	3.13	3.88	3.45	2.60	2.94	2.92	3.30	4.09	4.76	4.72	4.98
% Hospitals		43		57	68						76
% Beds		28		32	37						55

**Source:** Duggal, 2004

The few studies that estimate health expenditure at household level show that 7-9 percent of annual household consumption expenditure is on health care needs, about 85 percent of which goes to the private sector (Bhat 1993). The growing trend to over-refer, over-test, overmedicate and over-use diagnostic techniques in the private sector has been making health care unaffordable and a major drain on the resources of the poor. Since economic liberalisation, India opened the door to private partners in health care as well as in other sectors, but appropriate legislation is lacking to effectively regulate the private sector and its high charges. There is a growing need to regulate the quality and quantity of the mushrooming private health sector and fix its social responsibility to the 20-30 percent of poor for which they are getting tax exemption.

### 3.5.6 Health sector development In India

India was a pioneer in focusing on primary health care, and did so even before the Alma Ata Declaration. In 1946, the health survey and development committee recommended establishing a well structured and comprehensive health service with a sound primary health care infrastructure (the Bhore Report). The primary responsibility for building the infrastructure and manpower rests with the state governments and is supplemented by funds from the federal government and external assistance. Major disease control programmes and family welfare programmes are centrally funded (some with external assistance) and implemented through the state infrastructure. Food supplementary programmes for mothers and children are funded by state governments and implemented through the centrally funded Integrated Child Development Services Programme (ICDS) infrastructure. The department of urban and rural development and the department of environment (both centrally and in the states) fund programmes for safe drinking water and environmental sanitation.

Universal coverage of the population through primary health service facilities in rural and urban areas is one of the seven Basic Minimum Services (BMS) identified for priority attention under the Minimum Needs Programme (MNP). It is estimated that a properly functioning universal primary health care infrastructure providing integrated promotive, preventive, curative and rehabilitative services would meet over 80 percent of the health care needs of the population. The remaining needs would be met through referral to secondary or tertiary health care institutions.

Inadequate and an ill-equipped public health infrastructure is unable to meet the health needs of the people. A national survey of public health infrastructure in 1999-2000 revealed that critical public health facilities were grossly inadequate (Duggal 2004). The table below illustrates this.

**Table 37: Percent of different units adequately equipped (having at least 60% critical inputs)**

Units	Infrastructure	Staff	Supply	Equipment	Training
Dist hospital	94	84	28	89	30
FRUs	84	46	26	69	34
CHCs	66	25	10	49	25
PHCs*	36	38	31	56	12

Source: Duggal, 2004

The national norm for primary health care in rural areas is a three-tier infrastructure of Sub-Centres (SCs) covering a population of between 3,000-5,000, Primary Health Centres (PHCs) covering a population between 20,000-30,000, or nearly six sub-centres), and Community Health Centres (CHCs covering four PHCs). The table below showing the status in 2001 of the availability of government health care institutions in rural India reveals that the numbers fall short of the requirement.

**Table 38: Number of SCs, PHCs and CHCs required and resulting shortfall in India (As on March 31, 2001)**

Centres	Required	in Position	Shortfall
Sub Centre	1,34,108	1,37,311	7,325
PHCs	22,349	22,842	1,776
CHCs	5,587	3,043	2,596

**Source:** Annual Report 2002-03, Ministry of Health and Family Welfare & Govt. of India.

The major impediments to people's social development are widespread under nutrition, low levels of literacy, poor infrastructure in the health sector and high mortality rates among the poorest sections including the rural Scheduled caste and Schedule Tribe populations.

#### Box 8: India's Health Report Card

- Of 25 million children born in India every year, nearly 2 million die before reaching their first year.
- Of 16 million tuberculosis cases world wide 12.7 million are in India.
- Water born diseases like diarrhoea, typhoid, cholera and infectious hepatitis account for 80% of India's health problems; every fourth person dying of such a disease is an Indian.
- Every third person suffering from leprosy is an Indian.
- More than 90% of the world's polio cases exist in India.

**Source:** Health Action, September 2003

India has been a party to the commitments made at the world summit for social development in Copenhagen in 1995 to address the "profound social problems" confronting, in particular, the marginalised and disadvantaged groups. Among many other desirable goals of the Summit, India too, agreed and committed itself to universal access to education and primary health care. But the fact is that there is a yawning gap between rural and urban health infrastructure as a result of which millions of the rural poor are denied even basic health care facilities (Table 39).

**Table 39: Health Scenario**

Health Infrastructure	Rural (per 1000 population)	Urban (per 1000 population)
Hospital beds	0.2	3.0
Doctors	0.6	3.4
Public expenditure	Rs 80,000	Rs 5,60,000
Out of pocket expenditure	Rs 7,50,000	Rs 1,50,000
Infant Mortality Rate	74/1000 LB	74/1000 LB
Under 5 Mortality Rate	133/1000LB	87/1000 LB
Births attended	33.5%	73.3%

Full immunisation	37%	61%
Median ANCs	2.5%	4.2

**Source:** Duggal 2003

In India, access to basic health care, especially in the rural areas, remains unavailable to a large majority. On the one hand the overall share of communicable diseases in rural India's death profile fell from about 47.7 percent in 1969-71 to 22.1 percent by the mid-1990s, but on the other hand, the share of non-communicable diseases in rural mortality rose from about 35.9 percent in 1969-71 to 54.9 percent in 1994-95.

The underlying emphasis of government health programmes remains family planning or population control. There is also the skewed rural-urban divide in public health services. The primary health care approach has failed to improve people's access to health care. Due to the lack of integrated and comprehensive health services, the Indian health system still remains selective, programme-oriented and fragmented. There is very little attempt to involve the community in health care services. Though there is development of health infrastructure, the quality and availability of even minimal services cannot be guaranteed in the absence of drugs, materials and equipment.

**Table 40: The gap between 'Health for All' targets and performance**

Indicators	Status in 1983	Target set	Status in 1998
Infant Mortality Rate	125	<60	69
Under 5 Mortality Rate	140	<70	105
Crude Death Rate	14	9	9
Life Expectancy	54	64	63
Maternal Mortality Rate	450	200	410
Crude Birth Rate	35	21	25
Total Fertility Rate	3.8	-	3.1
Immunisation (BCG)		100%	79%
Immunisation (DPT)		100%	73%
Immunisation (Measles)		100%	66%
Pregnancy – TT		100%	80%
Trained Dai or Inst. Deliveries		100%	34%

**Source:** Jan Swasthya Sabha, National Co-ordination Committee, 2000

No wonder, then, that the Indian health scenario looks grim. India's infant mortality rate is still pinned at 67 per 1,000 live births whereas under-5 mortality is at 93 per 1,000 live births. It is estimated that by 2025, India would have 110 million people affected by the HIV virus (reducing life expectancy by 13 years).

**Box 9: Expenditure on medical, public health, sanitation and family welfare**

The combined expenditure on medical, public health, sanitation and family welfare in central and state budgets has stagnated at the level of 1.3% of GDP over ten years, from 1996-97 to 2004-05. The expenditure in state budgets registered a decline from 1.17% of GDP in 1998-99 to 1.07% in 2004-05 (BE).

Expenditure on 'Medical, public health, Sanitation and family welfare' from Union and state Budgets (1996-97 to 2004-05)

**Expenditure on Education, Art and Culture in Union and state budgets (1996-97 to 2004-05)**

Year	Expenditure from the Union budget on Medical, Public Health Sanitation and family Welfare (Rs. crore)	Expenditure from budgets of all the states on Medical, Public Health Sanitation and family Welfare (Rs. crore)	Combined expenditure from Union and state budgets on Medical, Public Health Sanitation and family Welfare (Rs. crore)	GDP at current market prices (Rs. crore)	Expenditure from Union budget is as % of GDP	Expenditure from budgets of all states as % of GDP	Combined expenditure from the Union and state budgets as % of GDP
1996-97	3209.76	14576.38	16120.42	1368208	0.23	1.07	1.2
1997-98	3813.71	17012.69	18999.63	1522547	0.25	1.12	1.2
1998-99	4794.42	20296.09	22805.73	1740985	0.28	1.17	1.3
1999-00	5869.96	22380.74	25365.26	1936831	0.30	1.16	1.3
2000-01	6251.62	23722.26	27186.63	2089500	0.30	1.14	1.3
2001-02	6979.7	24562.44	28439.75	2271984	0.31	1.08	1.3
2002-03	7698.96	25201.98	29419.86	2463324	0.31	1.02	1.2
2003-04 (RE)	8396.8	30952.56	35792.48	2760025	0.30	1.12	1.3
2004-05 (BE)	9938.86	33212.72	39381.91	3108561	0.32	1.07	1.3

**Notes:**

1. In the figures for combined expenditure from Union and state budgets, inter-governmental transfers like grants and loans to the states have been netted in the process of consolidation.
2. GDP at current market prices refers to the 1993-94 series released by the Central Statistical Organisation.
3. Expenditures from Union Budget presented above include those of the Union Territories, which do not have legislatures. Delhi has been included in the states.

**Source:** Amitabh Behar, Subrat Das, Debdulal Thakur, 'Reaching the Excluded: Need for "New Imagination"', NCAS-CBGA, 2006.

**3.6 Findings of the Study**

Are there different ways of reforming the system so that people's access to health care is improved and patients' rights are strengthened? Are the existing models of health service delivery easily accessible to the people? Are people benefiting from available health services in their time of

need relative to their socio-economic condition? This study attempts to take stock of the current health scenario vis-à-vis the present health provisions and commitments. The health aspect is configured around availability of health services in villages and the health needs of the people. This part of the chapter deals with the state scenario in brief and study findings in detail with the key results of the study.

### 3.6.1 Chhattisgarh

According to the 2001 Census, the total population residing in Chhattisgarh was 207.95 lakh, that is, 2.03% of the population of India. The state of Chhattisgarh was carved out of 30.49 percent of the land area and 26.6 percent of the population of the undivided Madhya Pradesh in 2000. Out of 146 development blocks, 88 are predominantly Schedule Tribe, with 20 percent of the population being Scheduled caste. Only 20.08 percent of the population lives in urban cities whereas 79.92 percent lives in villages. Of the total population, 32.5 percent are STs and 12.2 percent are SCs. As shown in Table 40, the basic health indicators related to birth rate, death rate, infant mortality rate (IMR), etc in Chhattisgarh is far behind the national average.

**Table 41: Health indicators in Chhattisgarh (2001)**

Indicators	India	Chhattisgarh
Human Development Index	45.0	39.0
Birth Rate (1997)	27.2	28.3
Death Rate (1997)	8.9	10.6
Total Fertility Rate (1997)	3.3	3.6
Infant Mortality Rate (1997)	71.0	84.0
Couple Protection Rate (By Sterilisation %)	30.2	29.5

**Source:** Chhattisgarh Government, 2001

Table 42 presents some basic health indicators from the 1991 Census. The life expectancy at birth in Chhattisgarh is better as compared to Madhya Pradesh. In 1991, while life expectancy in Chhattisgarh was 61.4 years, it was 57.3 years for the whole of Madhya Pradesh. What is also very encouraging is that female life expectancy is higher than that of males in Chhattisgarh. Chhattisgarh's sex ratio is also much better than other better off states: in 1999 it was 985 females per 1000 males, which improved to 990 per 1000 males in the 2001 Census.

Mortality indicators are still very high in Chhattisgarh. The infant mortality rates of 12 and 47 achieved by Kerala and Maharashtra respectively shows the long gap Chhattisgarh has to fill. Other mortality and fertility indicators tell the same story. Basic primary health care, pre- and post-natal care, nutritional status and preventive care are the essential requirements of the new state. Long distances, large forest cover, and a large number of forest villages and remote villages make access and delivery of health care a crucial issue.



**Table 42: Health indicators in Chhattisgarh (1991)**

Indicators	All	Male	Female	Rural	Urban
Mean Age of Marriage	25.4	25.5	25.3	25.4	25.2
Total Fertility Rate	4.3	-	-	4.3	4.2
Infant Mortality Rate	85.0	88.0	83.0	92.0	52.0
Life Expectancy at Birth	61.4	60.9	62.0	60.0	69.6
Population expected to survive beyond 20 years	0.173	0.168	0.178	0.185	0.109
Child mortality up to 5 years	129.0	134.0	124.0	141.0	79.0

**Source:** www.chhattisgarh.gov.in

The current primary healthcare infrastructure in the state comprising 512 PHCs and 3,818 sub-centres is inadequate to cater to the needs of the vast rural population. A poor transport network, remote villages and dense forest cover deter the government's efforts to deliver health services to all people of the state. The state also lacks quality health infrastructure, and the number of hospitals and primary health centres are inadequate. Paramedical staff is also inadequately trained in providing health services to the population.

At present, 38.91 percent of the state's population is below the poverty line. The ratio of number of hospital beds to total population in Chhattisgarh is 1:33 (Vision Document: Chhattisgarh 2010, 2001). In 2001, Chhattisgarh had only one medical college when the requirement was for three colleges. There are no district hospitals in 10 out of 16 districts; no CHCs in 54 out of 146 blocks; and 400 PHCs are needed. Five hundred posts for doctors are vacant in the public sector; there are inadequate and inefficient paramedics; and there are very few qualified doctors and paramedics in the private sector in rural areas (GOC 2001).

#### **Box 10: Innovative health schemes initiated by the Government of Chhattisgarh**

- **Mitanin Programme:** In the local language 'mitaan' means a friend. The Government of Chhattisgarh started the Mitanin programme under the Indira Swasthya Mitanin Yojana in 2001 to cater to the health needs of villagers specifically those who live far from the health centres. The state has 20,379 villages, 54,000 habitats and 3,818 sub-centres; many of these villages are not accessible and difficult to reach in the rainy season. This programme was started in 14 development blocks of Chhattisgarh.

In the Mitanin programme, the community selects a woman health volunteer to help develop a village health plan, and she has to help in community actions related to health. The programme helps reduce the gap between the local people's understanding of health problems and the available health services. It thus decentralises health knowledge and health services by using the Mitanin for information and communication. The target was 54,000 Mitanins by May 2002.

- **Rajiv Jeevan Rekha Kosh:** This programme was launched on November 1, 2001 to provide financial assistance to the poor living below the poverty line for treatment of serious illness.

- **Ayushmati Yojana:** This programme was launched to support poor girls and women who could not afford treatment. The patients are given free treatment and free board and lodging facility when admitted to health care centres. But this scheme applies only in selected health centres in development blocks.
- **Life Line Express:** The Life Line Express is another initiative to provide health care to the poor and needy people from rural areas.

1. **Health Care Services:** For 48 percent of respondents the nearest health service was available at a distance of 0-5 km. This health centre is the government run community health centre. For 22 percent of the respondent families, the nearest health centre was 15-20 km away. For 4 percent it was more than 20 km away. For 68 percent of Schedule Tribe families, the nearest health centre was not less than eight kilometres away. For the rest it was between 0-8 km. Thirty-two percent of the total respondents paid for visits made to government hospitals.

**Table 43: Distance and availability of health centres**

Distance in km	SCs (%)	STs (%)	OBCs (%)
0-2	80.00	19.05	52.94
2-4	20.00	1.59	35.29
4-8	0.00	11.11	5.88
More than 8	0.00	68.25	5.88

*Source:* Primary data

If they fall ill, 73.33 percent of SCs said they preferred to go to private medical clinics for treatment, whereas 61.9 percent of STs preferred going to government hospitals, and OBCs frequented both equally (47%).

**Table 44: Preference for public and private health care**

Preference	SCs (%)	STs (%)	OBCs (%)
Govt hospital	26.67	69.90	47.06
Private medical clinic	73.33	33.87	47.06
Govt doctor practising privately	0.00	3.22	0.00
Village vaidya	0.00	0.00	5.88

*Source:* Primary data

Of the respondents interviewed, 73.33 percent SCs, 62 percent STs and 75 percent OBCs showed reluctance to take sick persons to government hospitals. The reasons stated were poor treatment provided in such hospitals and the non-availability of doctors.

**Table 45: Reluctance to visit Public Health Centre**

Preference	SCs (%)	STs (%)	OBCs (%)
Yes	73.33	61.91	75
No	26.67	38.18	25

Source: Primary data

- Prenatal and Postnatal Care:** Some 83.3 percent of SCs register cases of pregnancy in government hospitals whereas approximately 92 percent ST families and 58.24 percent OBC families have never registered in a hospital. Those who registered agreed that periodic examination was done.

**Table 46: Pattern of pregnancy registration in government hospital**

Pregnancy registered	SCs (%)	STs (%)	OBCs (%)
Yes	83.33	8.06	41.18
No	16.67	91.93	58.82

Source: Primary data

Around 56 percent of the respondents said that a child was born in their family in the last three years, while the remaining 44 percent said no child was born in the last three years in their families. Of the 56 percent, the majority of the births were at home (94.34%), out of which 53.85 percent were attended by an untrained dai and 30.8 percent by a trained dai. Further, 74.18 percent of ST families and 50 percent OBC said that an untrained dai had attended the delivery, while 85.7 percent of SCs said that the delivery was through a trained dai. No health worker had visited after delivery in 88.24 percent of cases and this was confirmed by the rest.

**Table 47: Child delivery attended by**

Delivery attended	SCs (%)	STs (%)	OBCs (%)
ANM	0.00	0.00	20.00
Trained dai	85.71	12.90	20.00
Untrained dai	14.29	74.19	50.00
Other	0.00	12.90	10.00

Source: Primary data

Sixty-nine percent of respondents admitted that they didn't practise family planning. However, 82 percent of the ST respondents said they didn't practice it because of a government ban since they belong to the *Baiga* tribe that is in danger of being extinct.

- Child Immunisation:** Only 21.92 percent of respondents admitted having a health card. Of these, 50 percent were STs, 13.33 percent SCs and 7.14 percent were OBCs. That means that 86.7 percent of STs, 50 percent of SCs and 83 percent of OBCs do not have a health card. The rate of immunisation is 82.67 percent. As regards the follow up, the respondents in all three categories said that there are no follow-ups.

4. **Disease Control:** In case of outbreaks of diseases, 82 percent said that no health visitor has ever visited their house. While 47 percent admitted incidences of illness in their families recently, 46.6 percent visited private hospitals for treatment. Another 13 percent preferred government hospitals, or those run by charitable institutions, or else were treated at home. To meet the expenses, 28.57 percent SCs borrowed money from a moneylender or from other sources and 66.67 percent met the expenses out of their savings. Fifty percent of OBCs arranged for money from moneylenders and an equal number used their savings.
5. **General Health Awareness:** Nutritional awareness level was very low in all three categories of respondents, SCs, STs and OBCs, but it was a little better in SCs (33.33%) compared to the others. Only 3 percent of ST families had any nutritional awareness, which is almost negligible. Similarly only 8 percent of STs had any kind of understanding about prenatal and postnatal care of women. Among STs, 92 percent of respondent families were completely ignorant of it. Family planning got a good response in terms of awareness: a majority in all three categories knew about it.

There was very little awareness about diseases like tuberculosis, leprosy and AIDS. Around 0-4 percent of STs, 5-11 percent of OBCs and 20-46 percent of SCs were aware of the diseases. Programmes for immunisation were known to 93 percent of SCs and 76 percent of OBCs but to only 36 percent of STs. Polio drop awareness was high in all three categories. Table 48 shows that SCs and OBCs have better awareness about health than STs. Sanitation awareness ranged from 53 percent in SCs to 11 percent in STs and 47 percent in OBCs. The use of safe drinking water was well known to the SCs and OBCs, but 87 percent of ST families said they had no knowledge about the harmful effects of unsafe drinking water. The level of awareness about diseases was low in all three categories.

**Table 48: level of health awareness**

Awareness	Opinion	SCs (%)	STs (%)	OBCs (%)
Nutrition	Yes	33.33	3.17	17.64
	No	66.67	96.82	82.35
Prenatal and post natal care of women	Yes	66.67	7.93	47.05
	No	33.33	92.06	52.94
Family planning	Yes	73.33	63.49	82.35
	No	26.67	36.50	17.64
TB symptoms and treatment	Yes	46.67	4.761	11.76
	No	53.33	95.23	88.23
Leprosy	Yes	46.67	3.17	11.76
	No	53.33	96.82	88.23
AIDS	Yes	20	0	5.88
	No	80	100	94.11
Immunisation Programme	Yes	93.33	36.50	76.47
	No	6.67	63.49	23.52
Polio drop	Yes	93.33	90.47	100
	No	6.67	9.52	0

Health Care	Yes	66.67	25.39	58.82
	No	33.33	74.60	41.17
Sanitation	Yes	53.33	11.11	47.05
	No	46.67	88.88	52.94
Use of safe drinking water	Yes	66.67	12.69	58.82
	No	33.33	87.30	41.17
Diseases	Yes	40	4.76	11.76
	No	60	95.23	88.23

Source: Primary data

### 3.6.2 Karnataka

Where does Karnataka stand as far as human development is concerned compared to the rest of the country? A look at four indicators gives us an idea of how far Karnataka has gone in providing basic health facilities to its people. The indicators are gender ratio, infant mortality rate, maternal mortality rate and life expectancy at birth.

As far as the gender ratio is concerned only Kerala has come closer to the levels attained in developed countries. According to the 2001 census, Kerala's ratio was 1058 females per 1000 males. In Karnataka, it is 964 females to 1000 males. According to the National Family Health Survey II (NFHS-2), 1998-99, the overall sex ratio for Karnataka is 983 females per 1000 males. The sex ratio is 996 in rural areas and 960 in urban areas. The reason for the lower sex ratio in urban areas is the disproportionate migration of males to urban areas.

In NFHS-2 (1998-99) infant mortality estimates for Karnataka are slightly lower than recent estimates for the Sample Registration System (SRS) of the office of the registrar general. The average SRS estimate for the year 1998 is 58, which is slightly higher than the NFHS-2 estimate of 51.5 per 1000. The infant mortality rate for Karnataka for the five-year period immediately preceding the survey is estimated to have been 52 per 1000 live births. This means that 5 out of every 100 children born in Karnataka did not survive until their first birthday. Child mortality for this period was 19 per 1000, and the under-five mortality rate was 69 per 1000. Thus, approximately one in 14 children died before completing 5 years of age.

There has been a decline over the three five year periods in most of the mortality rates. Declines in neonatal mortality and infant mortality have, however, not been steady. As SRS estimated, the infant mortality rate in Karnataka is 58 per 1000 live births in 1998; but the estimates of 70 for rural areas and 25 for urban areas reveals the still large rural-urban difference that is typical of the country as a whole. The urban IMR in Karnataka in 1998 was lower than that in all states except Kerala where it was 17. The country level IMR in 1998 was 72; it was 77 in the rural areas and 45 in the urban areas.

Recent data shows that in 2001 Karnataka's infant mortality rate was 58/1000 live births, which was lower than the country's infant mortality rate of 67. In 2001 the under-5 mortality rate was 69/1000 live births. The following table gives a good idea about the state of affairs as far as Karnataka's health profile is concerned.

**Table 49: Health indicators of Karnataka in 2001**

Indicators		2001
Infant Mortality Rate		58/1000 live births
Under-5 Mortality Rate		69/1000 live births
Crude Birth Rate		22.3/1000 population
Crude Death Rate		7.7/1000 population
Maternal Mortality Rate		195/1,00,000 live births
Life Expectancy at Birth	Male	61.7 years
	Female	65.4 years
Total Fertility Rate		2.13
Percentage of institutional deliveries		51.1
Percentage of safe deliveries		59.2
Newborns with Low Birth Weight		35%
Percentage of mothers who received ANC		86.3
Percentage of eligible couples protected		59.7
Percentage of children fully immunised		60
Anemia among children (6-35 months)		70.6%
Nutritional status of children	Severe under-nutrition	6.2%
	Moderate under-nutrition	45.4%
	Mild under-nutrition	39.0%
	Normal	9.4%
Sex (Gender) ratio		964F/1000M
Sex (Gender ratio, 0-6 years)		949F/1000M

**Source:** Karnataka Human Development Report, 2002

Anaemia, haemorrhage, eclampsia, obstructed labour, infection and abortion account for 80 percent of maternal deaths in India. A 1993 survey of the registrar general of births and deaths indicates that haemorrhage alone may account for 23 percent of these deaths. UNICEF (1992) had made a comparison of maternal health statistics throughout the country and pointed out that 450 out of 100,000 women die of causes connected to pregnancy and childbirth in Karnataka. This is higher than the average for the fifteen major states.

The International Conference on Population and Development (ICPD) resolved in 1994 to target a life expectancy of 70 by 2005 and of 75 by 2015. Against this, Karnataka achieved in 2001 life expectancy at birth for males of 61.7 years and for females, 65.4 years. In all districts, without exception, life expectancy at birth was higher for women than for men but differences between life expectancy for men and women varied from one district to another. The difference in life

expectancy for men and women was about nine years in Kolar and Hassan districts and only 0.62 years in Bangalore (Urban) district as per the 1991 census.

**Table 50: Fertility rates**

	1991	1995	1996	1997	1998
Crude Birth Rate	26.9	24.1	23.0	22.7	22.0
Crude Death Rate	9.0	7.6	7.6	7.6	7.9
Natural Growth Rate	17.9	16.5	15.4	15.1	14.1
Infant Mortality Rate	77	62	53	53	58
Total Fertility Rate	3.1	2.7	2.6	2.5	NA

**Source:** Census of India 1991

However, improvement in critical health indicators such as life expectancy, birth rate, infant mortality rate and death rate is to some extent the result of improved health infrastructure in the state. However, Karnataka has a large share of infectious diseases characteristic of the underdeveloped world, as well as degenerative and other diseases common in industrialised and affluent societies. The old scourge of tuberculosis and malaria continues. HIV infection has been contained to some extent. Under the national malaria eradication programme, although the number of blood smears collected and examined increased, the number of positive cases increased six fold between 1991 and 2000 (almost 1,00,000 cases annually). The number of patients who were given radical treatment, as well as the slide positive rate, also increased.

The size of the private health sector in India, as in Karnataka, is much larger than generally believed. According to a survey conducted in 1995-96 by the centre for Symbiosis of Technology, Environment and Management (STEM), Bangalore, the private health sector in Karnataka, including the not-for-profit voluntary sector, is comprised of 1,709 medical institutions (clinics, nursing homes, hospitals, etc). A vast majority of private hospitals provide curative healthcare, while public hospitals provide promotive, preventive and curative services in rural areas and only curative services in urban areas.

Per capita government health expenditure in Karnataka is Rs 154 less than the national average of Rs 167. The total number of primary health centres in Karnataka is 1,676. Table 51 shows the rural health infrastructure in Karnataka.

**Table 51: Rural health infrastructure in different centres in Karnataka (as on March 31, 2001)**

State	Service delivery infrastructure			
	SC	PHC	CHC	RFWCs
Karnataka	8143	1676	249	269

**Source:** Ministry of Health and Family Welfare, Government of India, 2002

Karnataka has a set of regulations relating to health care that can be broadly divided into three categories: drug related (eg the Pharmacy Act, the Drugs and Cosmetics Act and the Dangerous Drugs Act), practice related (eg the Consumer Protection Act of 1986, the Indian Medical Council

Act and the Human Organ Transplant Act), and facility related (eg the Nursing Homes Act, and the Nurses, Midwives and Health Visitors Act).

### Box 11: Karnataka task force on health and family welfare

The Government of Karnataka constituted a task force in 1999, under the chairmanship of Dr H Sudarsan, to address the health sector issues confronting the state, and to make specific recommendations. After 59 sittings the task force submitted a report to the Government of Karnataka in 2001 with extensive and detailed recommendations. The report of the task force was accepted by the government and is being implemented.

**Source:** India Health Report, 2003

The private health sector has been brought under the Consumer Protection Act, but more awareness is needed of the various regulations so that quality of service and better provider-patient relationships are maintained.

In Karnataka, primary, secondary and tertiary care services are available through public, voluntary and private sectors. But the commercialisation of medical care has created problems. The middle class mindset of policy and decision makers blinds them to the needs of the poorest of the poor. With globalisation of medical care, the cost has gone up. The affluent can afford the care, but the very poor cannot. They need social security to ensure that they get medical and health care when they need it.

- 1. Health care services:** The average number of villages covered by a primary health centre (PHC) in Karnataka is 16.55. However, among the families surveyed, 40 percent said that the nearest health centre was at a distance of 2-4 km. These are either government run sub-centres or taluka hospitals. For the majority of ST families (73.33%), the available health care service was at a minimum distance of 4-8 km. Payment of user charges or registration fee was common as approximately 86 percent of the respondents admitted to paying some kind of fee 37.5 percent said it was a user fee and 25 percent said it was the doctor's fee and for buying medicines. The remaining paid for either of the above reasons or a combination of these.

**Table 52: Distance of hospital from households**

Distance in km	Respondent (%)
0-2	11.82
2-4	40.00
4-6	6.36
6-8	30.91
8-10	10.91

**Source:** Primary data

The Karnataka field study showed that 68.22 percent of families were reluctant to visit a government hospital in case of illness. Around 26 percent said this was because there were no doctors, and no free medicines, and 19.18 percent added poor treatment to the other two reasons.

When asked where they preferred to take patients, 61.29 percent SCs, 70.59 percent OBCs and 33.3 percent STs preferred private hospitals. But a large section of STs, around 43.3 percent,



preferred government hospitals. The rest went to quacks. The general tendency was to go to a private hospital. Approximately 55 percent preferred to visit a private practitioner in comparison to only 33 percent who preferred to visit a government hospital.

**Table 53: Different categories preference for treatment**

Preference	SCs (%)	STs (%)	OBCs (%)
Governmental hospital	29.03	43.33	29.41
Private medical practitioner/rural medical practitioner	69.35	33.33	70.59
Government doctor practicing privately	1.61	0.00	0.00
Village vaidya	0.00	23.33	0.00

*Source:* Primary data

- Prenatal and Postnatal Care:** The reporting of pregnancy cases is generally low. Around 79.82 percent had not registered their pregnancies. Among those registered almost 90.42 percent had regular check-ups. The examinations were conducted mostly by ANMs (around 94 percent). Those who had registered availed the facilities of periodic examinations, iron tablets and TT injections, but 66.67 percent reported that no health worker ever visited their house for a medical check up.

In 72.48 percent of families no child was born in the last three years. In the 27.52 percent families that had a child birth, 76.67 percent of the births were in the house. All of these were attended by untrained dais. Some 60.39 percent of families said they had not undergone any family planning exercise. This means that only 39.60 percent practiced family planning. Of those who practiced family planning, 70.73 percent said that they received this service through a doctor. Almost all the families (84.62%) had a health card for their children. Of those having health cards, the ST respondents were only 25 percent.

**Table 54: Place of child born in last three years**

Birth place	SCs (%)	STs (%)	OBCs (%)
PHC	0.00	16.67	0.00
Private Maternity Home	6.67	0.00	20
Home	93.33	66.67	60
Any other	0.00	16.67	20

*Source:* Primary data

- Child Immunisation:** The immunisation rate was quite good with 92.5 percent of children under the age of five years being immunised. Most of the immunisations – 58 percent – took place at the school, 34 percent at home and the rest 8 percent at the sub-centre. Follow up visits by a health worker after immunisation was very low; 56.75 percent of respondents said no health worker had visited.

**Table 55: After immunisation follow-up visit status of health worker**

Health worker's follow up visit	SCs (%)	STs (%)	OBCs (%)
Yes	50	20	33.33
No	50	80	67

Source: Primary data

- Disease Control:** When there is an outbreak of any disease, 88.57 percent of people said no government health worker visited their home. Of the families questioned, 91.43 percent said there was no incidence of disease in their families recently, while 66.67 percent of those who were affected by diseases consulted a private practitioner for treatment. Many of these families (60%) met hospital expenses by borrowing money from the moneylender.
- General Health Awareness:** The awareness levels about good health and nutrition varied from 44.44 percent to 46.77 percent in all three categories, SCs, STs and OBCs. Prenatal and post-natal care of women was 53.23 percent to 66.67 percent in the same categories. About 64.52 percent of SC families were aware about family planning programmes whereas 61.11 percent of OBC families were ignorant about it. Between 91.94 percent and 94.44 percent of respondents had no information about the symptoms or treatment of tuberculosis. Around 98.39 percent to 100 percent families had no information about leprosy, and the ignorance about AIDS was the same – ranging from 88.79 percent to 100 percent.

As many as 55.56 percent OBCs, 58.06 percent SCs and 86.67 percent STs were ignorant about the immunisation programme. Around 72.22 percent to 93.33 percent families were aware about polio and polio drops. Around 98.39 percent of SC and 100 percent ST and OBC families were found to have almost no information about health care. About 60 percent of respondents were aware about sanitation and 66.13 percent to 80 percent families knew about safe drinking water.

**Table 56: Level of health awareness in different categories**

Awareness	Opinion	SCs (%)	STs (%)	OBCs (%)
Nutrition	Yes	46.77	46.67	44.44
	No	53.23	53.33	55.56
Prenatal and post natal care of women	Yes	46.77	33.33	44.44
	No	53.23	66.67	55.56
Family planning	Yes	64.52	46.67	38.89
	No	35.48	53.33	61.11
TB symptoms and treatment	Yes	8.06	6.67	5.56
	No	91.94	93.33	94.44
Leprosy	Yes	1.61	0.00	0.00
	No	98.39	100	100
AIDS	Yes	3.23	0.00	11.11
	No	96.77	100	88.89

Immunisation Programme	Yes	41.94	13.33	44.44
	No	58.06	86.67	55.56
Polio drop	Yes	91.94	93.33	72.22
	No	8.06	6.67	27.78
Health Care	Yes	1.61	0.00	0.00
	No	98.39	100	100
Sanitation	Yes	61.29	60.00	61.1
	No	38.71	40.00	38.89
Use of safe drinking water	Yes	66.13	80	77.78
	No	33.87	20	22.22

Source: Primary data

### 3.6.3 Maharashtra

How close are the health attainments in Maharashtra to the Alma Ata Declaration (1978) of health for all by 2000? The Maharashtra Development Report 2002 says that Maharashtra has improved on two counts: raising life expectancy at birth and reducing the infant mortality rate (IMR). From 105 per 1000 live births in 1971, IMR declined to 48 per 1,000 live births in 1999. Though the overall IMR has gradually declined, the gap in accomplishment between urban and rural regions is marked. In 1999 the IMR in the rural population was 58 while in the urban population it was 31. In the rural areas, the number of deaths per 1,000 live births within a month of life is twice of what prevails in towns and cities.

To understand the health status of a population, the morbidity profile is relevant, being a subjective phenomenon influenced not only by actual burden of illness but also by education, exposure to healthcare services and health expectations. Preventable diseases that are common here are typhoid, pneumonia, tuberculosis, gastro-enteritis, cholera, dysentery, jaundice and fevers including influenza. Diseases preventable by immunisation are common here such as measles, whooping cough, diphtheria, polio and tetanus.

In Maharashtra another critical area of concern is nutrition. Maharashtra's Human Development Report 2002 says that more than half the households in the state fall below the prescribed standard norm for nutrition, and these households receive less than 90 percent of the required level of 2,700 calories per day per consumer.

Maharashtra's population suffers high levels of malnutrition. The victims of malnutrition are mostly women and children. The National Family Health Survey-II (1998-99) data shows that 40 percent of women in the reproductive age group (15-49 years) have a body mass index (BMI) of less than the threshold of 18.5 kg per mt sq. This is a catastrophic situation according to the WHO, because low BMI indicates chronic energy deficiency. The sex ratio, too, is of serious concern; in 1990 it was 934 women per 1000 men, and that fell to 922 in 2001 (Census 2001, Government of India), and it is lower than Karnataka and Chhattisgarh.

As regards the availability of health structures in rural Maharashtra, according to recent data (HDR Maharashtra 2002), there are 1,762 PHCs, 169 PHUs, 61 mobile health units and 9,752 sub-centres in rural areas. Under the minimum need programme of the 1980s, rural hospitals were set up. There are 345 rural hospitals catering to the needs of 1,50,000 population each, or one per five PHCs.

**Table 57: Sample Registration Scheme estimates**

Health	1961	1971	1981	1991	1996	1998
Hospital	NA	299	530	768	741	843
Dispensaries	NA	1372	1776	1896	1423	1683
Beds per lakh of population	NA	88	114	144	143	1396
Birth rate	347	284	285	262	232	-
Death rate	138	100	96	82	74	-
Infant mortality rate	86	65	79	60	48	-

Both quantitatively and qualitatively, there is a wide gap in the health care infrastructure available in the rural and urban areas. For example, in the year 2000, the number of doctors per 1,00,000 population in urban areas was 139.8 compared to a mere 23.7 in rural areas. Disproportionately, over 80 percent of beds in public hospitals are in urban areas whereas only 42.4 percent are in rural areas. Health facilities in public and private sector are also varied, private sector sharing 61 percent of hospitals, 90 percent of dispensaries and 48 percent of beds available in total. Maharashtra has the largest private health sector in India. In lieu of tax benefits the private hospitals are supposed to provide free services to 20-30 percent of their total clients. But in reality, not all such free services accrue to the poor, though they are entitled to it.

*Source:* www.maharashtra.gov.in

The rural-urban ratio is drifting in Maharashtra state. Infant mortality in Maharashtra was as high as 56 and 33 per 1000 in rural and urban areas respectively in 2000. Around 50 percent of children less than three years of age are underweight.

The level of public spending in Maharashtra on health care is one of the lowest in the country at just 0.6 percent of state GDP. Between 1985-86 and 1989-90, it was scaled up to one percent, but has declined thereafter. Rural-urban disparities need much more attention, but this does not imply that urban health services are good. Inter-regional disparities are also an area of concern. There is a clear need for more resources for health care in the public domain to achieve better quality and equity in health services.

- 1. Health care services:** Among the families surveyed, 76 percent said that the nearest health centre was at a distance of 0-4 km. These were either government run or private centres. The most commonly accessible centre was a government run sub-centre. Payment of user charges or registration fee was a common practice as approximately 76 percent of the respondents admitted paying a user fee. The average expenditure on medication was around Rs 100. This could be for the doctor's fee, medicine or diagnostic tests.

**Table 58: Distance of nearest hospital from house**

Distance (in km)	Percentage (%)
0-4	76
4-8	11
8-12	9
12-16	4
Total	100

**Source:** Primary data

A majority of villages in India have no readily accessible health care facilities and Maharashtra is no exception. Of the 30,000 revenue villages in the state only 12,000 have either a primary health centre or a sub-centre. An earlier study of health care services in Nasik district by the Bharat Vaidyaka's primary health care group (a voluntary group), found that all health facilities are clustered in just 14 percent of villages. This and the present study show that health care services are not equally distributed.

It was also found that people are generally reluctant to visit government doctors, and this tendency is high among SCs, STs and OBCs. Fifty percent of SCs, 40 percent of STs and 85.72 percent of OBCs showed reluctance to visit government hospitals. Various reasons were cited, the most common being lack of transport. The other reasons are that doctors are not available, or the treatment is poor.

**Table 59: Reluctance to visit government hospital**

Category	Reluctant (%)	Non-Reluctant (%)
SC	50	50
ST	40	60
OBC	85.71	14.28

**Source:** Primary data

ST families are more likely to visit government hospitals for economic reasons. The study found that 31.3 percent of ST families visited government hospitals while only 16.67 percent SC and 25 percent OBC respondents did so. Most STs are daily wage labourers, farm labourers or fisher folk, and their low earnings leave them little choice.

- 2. Prenatal and Postnatal Care:** Pregnancies are generally reported. Around 82.2 percent of the 45 families that were questioned said this. Among these, 90 percent said they had periodic examinations. About 73.33 percent of the respondent families with reported or unreported pregnancies said that they had children under the age of three years. Of these, 84.28 percent were delivered at home of which 67.74 percent were attended by untrained dais. Of the respondents who had registered the pregnancy, 57.58 percent said that no health worker had visited their home after the delivery.

**Table 60: Place of child delivery**

Place of delivery	Deliveries (%)
Government-run hospital SC/PHC/CHC	0
Private maternity home	12.50
Home	84.38
Other	3.13

**Table 61: Child delivery attended by**

Attendants	Deliveries (%)
ANM	3.23
Trained dai	12.90
Untrained dai	67.74
Other	16.13

**Source:** Primary data

However, the fertility rate in Maharashtra is declining. The field data shows that the practise of family planning is not geared well. Only 34 percent said yes to any kind of family planning practise, and most of these (65.91%) had received service or counselling from the nearest sub-centre.

- Child Immunisation:** Almost all the children were immunised -80 percent of them were immunised at the anganwadi or at school. Some 78.95 percent of families said they had a health card for their children. As regards immunisation follow-up, only 50 percent of respondents had received a visit from the health worker. Awareness about child immunisation was high: 56 percent of families said they were aware about the importance of immunisation for their children, and 94 percent knew specifically about the polio drop.
- Disease control:** A substantial number of respondents from the studied area said no health worker had visited them after an outbreak of any disease for giving any kind of information. People prefer to be treated in government hospitals for diseases such as malaria, jaundice, tuberculosis (TB) and dysentery because the treatment is cheap. These diseases take a long time to cure and most of the medicines are free in government hospitals under national health programmes.

As shown in Table 62, in case of a disease outbreak, 25 percent said that no government health worker visited their house, while 25.26 percent denied receiving any prior information about the disease. Some 32.18 percent of the families said a member had been a victim of diarrhoea, dysentery, malaria, jaundice or TB recently. Of these, 68.97 percent preferred visiting private hospitals whereas only 13.79 percent visited government hospitals and 10.34 percent went to hospitals run by religious organisations. The average money spent was around Rs 245 to 5,316 with 35.71 percent of respondents saying they paid this from their savings and 21.43 percent said they borrowed the money from the moneylender or relatives.

**Table-62: Choice of institution preferred in case of outbreak of dysentery/diarrhea/malaria/jaundice/TB**

Institution	Families (%)
Government hospital	68.97
Private hospital	13.79

At home	10.34
Any of the above	6.90

Source: Primary data

5. **General health awareness:** The level of general health awareness varied in different categories. Nutrition awareness levels were better among OBCs (62.5%) as compared to SCs and STs (ranged between 33.33 percent and 44.70 percent). There was also little awareness of prenatal and postnatal care of women among SCs and STs while it was comparatively good among OBCs. All the SC families denied any detailed knowledge about family planning, while 55 percent of STs and 37.5 percent of OBCs said they knew about family planning programmes. Awareness about diseases such as TB, leprosy and AIDS was very low in all three categories. Level of awareness about immunisation and polio drops was high among STs and low among SCs. There was adequate awareness about safe drinking water and sanitation.

**Table 63: Level of health awareness in different categories**

Awareness	Opinion	SCs (%)	STs (%)	OBCs (%)
Nutrition	Yes	33.33	44.70	62.5
	No	66.67	55.29	37.5
Prenatal and post natal care of women	Yes	16.67	44.70	62.5
	No	83.33	55.29	37.5
Family planning	Yes	0	55.29	37.5
	No	100	44.70	62.5
TB symptoms and treatment	Yes	16.67	23.52	12.5
	No	83.33	76.47	87.5
Leprosy	Yes	16.67	40	25
	No	83.33	60	75
AIDS	Yes	16.67	24.70	0
	No	83.33	75.29	100
Immunisation Programme	Yes	33.33	63.52	62.5
	No	66.67	36.47	37.5
Polio drop	Yes	33.33	64.70	37.5
	No	66.67	35.29	62.5
Health Care	Yes	0	24.70	37.5
	No	100	75.29	62.5
Sanitation	Yes	66.67	67.05	75
	No	33.33	32.94	25
Use of safe drinking water	Yes	66.67	82.35	87.5
	No	33.33	17.64	12.5
Diseases	Yes	33.33	23.52	0
	No	66.67	76.47	100

Source: Primary data

### 3.7 Conclusion and Recommendations

- **Difficulty in accessing health care services.** This is the most common problem for people in all three states. People living closer to PHCs utilise their services more than people living on the periphery. The accessibility of health services is better in Maharashtra. For 76 percent of families it is within a distance of 0-4 km. In Karnataka and Chhattisgarh, 52 percent of families have to travel 4-5 km or more to access health services, and of these, 73.33 percent and 68 percent respectively are ST families. Again, in Chhattisgarh, these 68 percent ST families have to travel a minimum distance of 8 km and beyond to access any health service.

Ensuring access of health care services is integral to the effective functioning of a health care system. Systems need to be put in place to provide health care even to the remotest regions of the states.

- **The reluctance of patients to visit government hospitals.** The space-time factors are the determinant proxies for the physical accessibility of health care (Joseph and Phillips 1984). It implies that the distance between the health care provider and the patient's home, the time spent in travelling and the waiting time to access the health services, determine the choice of health care provider. The greater the distance between the patient's home and the government health care provider, the less likely he/she is to choose the government health care provider.

This is evident from the findings in Chhattisgarh and Karnataka where 66 percent and 68.22 percent of families respectively were reluctant to visit government hospitals for reasons varying from poor treatment to non-availability of doctors, to the distance of the hospital from their home. Whereas in Maharashtra, only 38.46 percent of families appeared to be reluctant to visit government hospitals, and the reason for this was the availability of private hospitals within accessible distance. It is important to note that the patient is much more sensitive to the time spent on traveling (and also the availability of public transport in remote areas) rather than the time spent on waiting to obtain health care services.

However, in all three states, STs have ranked government hospitals as their first priority. The reasons are poverty and the lack of private doctors in the remote areas where they live. The fact that they visit government hospitals does not mean that they are unmindful of the long distances they have to travel; on the contrary, it reduces the frequency of their visits, and they visit only when the illness is acute, reducing chances of a quick or complete cure.

In spite of the fact that some state governments (Maharashtra, Karnataka and Orissa) had initiated several measures, including mandatory rural service, to contain absenteeism in doctors and to fill the posts of medical officers in remote areas, the attendance of doctors in rural health centres and hospitals is dismal.

- **The payment of a user fee:** This is yet another impediment in access to health care. In all three states, the respondents have admitted paying a user fee for medical examinations: 32 percent in Chhattisgarh, 86 percent in Karnataka and 76 percent in Maharashtra have made payments either for user fee, doctor's fee or buying medicines. The justification for a user fee is to facilitate efficiency and impart quality health care, but this is not so in practice.



- **Non-institutional pregnancies:** The study showed that most women delivered their babies at home, attended largely by untrained dais. In Chhattisgarh 93.34 percent of deliveries took place at home. For Karnataka, the figure was 72.48 percent and in Maharashtra, 84.28 percent. Of these, 53.85 percent deliveries in Chhattisgarh, 72.48 percent in Karnataka and 67.74 percent in Maharashtra were conducted by untrained dais. Since childbearing is a major determinant of women's health, programmes aimed at improving maternal health should focus on the period of pregnancy, delivery, and the post-partum period. This means that focused and intensive training of ANMs, dais and anganwadi workers in hygienic deliveries, newborn care, and management of infections is a must. Follow up visits by health visitors is also essential.

Registration of pregnancy was also found to be very low. As many as 72.92 percent of respondents in Chhattisgarh, and 79.82 percent in Karnataka had not registered pregnancies with government hospitals. The situation was better in Maharashtra.

- **Good rate of immunisation:** The rate of immunisation was generally good but there has to be more regular monitoring by the health worker. In Karnataka, 84.62 percent of families possessed a health card and in Maharashtra 92.5 percent had a card. But in Chhattisgarh only 21.9 percent families reported the possession of a child health card. However, the immunisation coverage in all three states is good covering 82 percent to 99 percent of under-fives. This is due to the full-fledged national immunisation programme intended to cover children under the age of five.

### 3.8 Civil Society Initiatives On Health

Privatisation and deregulation of the health system have resulted in rising medication and drug prices; it has also impacted public health services at large. A critical factor in the access to health care services is the lack of medical and paramedic staff in government health centres. The government is doing its bit by appointing medical professionals in government health centres but still in remote rural areas lack of proper health care services and staff is a reality. On one hand where the state responsibility in ensuring and imparting essential health care to its citizen stands imperative, on the other hand the initiatives started by concerned civil society individuals and groups suggesting better health services models is added value to the ongoing efforts on health. The analysis of the State initiatives on health services represents the larger picture, nevertheless, for a comprehensive picture we are enlisting some of the key civil society initiatives on ensuring right to quality health services.

#### ***Jan Swasthya Abhiyan: A National Health Movement***

'*Jan Swasthya Abhiyan*' is the Indian circle of the People's Health Movement, a worldwide movement to establish health and equitable development as top priorities through comprehensive primary health care and action on the social determinants of health. It is a coalition consisting of over 20 networks and 1000 organisations as well as a large number of individuals.

It aims to draw public attention to the adverse impact of the policies of iniquitous globalisation on the health of Indian people, especially on the health of the poor. It aims to establish the Right to health and health care as basic human rights In India, the campaign expresses the need to confront commercialisation of medical care owing to privatisation, and to establish minimum standards and

rational treatment guidelines for health care. The *jan swasthya abhiyan* emphasises the urgent need to promote decentralisation of health care and build up integrated, comprehensive and participatory approaches to health care. It seeks to unleash a wide variety of people's initiatives that would help the poor and the marginalised to organise and access better health care, while contributing to building long-term and sustainable solutions to health problems.

Source: <http://phm-india.org>

### ***Jan Swasthya Sahyog in Chhattisgarh: A Silent Revolution***

*Jan Swasthya Sahyog* (JSS) was established in 1996 and registered in Delhi by a group of socially-conscious health professionals who shared a common concern about healthcare facilities, particularly in rural areas. The group turned a set of rundown buildings belonging to the irrigation department into a healthcare and referral centre, providing a ray of hope to communities from far-flung villages having no access to any medical facilities in Ganiyari, a far off village of Bilaspur district in Chhattisgarh.

The referral centre at Ganiyari village not only provides low-cost, quality healthcare but also trains village health workers in delivering primary healthcare. JSS has been equally active in developing low-cost technology for rural health — simple diagnostic and other kits that are user-friendly for the illiterate or semi-literate village healthcare workers, many of them women. These kits are used to diagnose a range of diseases (urinary tract infection, anaemia, sickle cell anaemia, tuberculosis, diabetes, vaginal infections, respiratory infections and so on) that are widely prevalent in the region.

JSS has also developed simple-to-use apparatus to detect water contamination, to purify water, stadiometer to measure height, easy-to-read thermometers and bloodpressure gauging instruments, and stethoscope.

JSS is doing service in the more than 53 villages surrounding Ganiyari. The circumstances have been stark for the villagers trapped between an overburdened and dysfunctional public healthcare system and private doctors. The deadly *Falciparum* malaria rampant in the tribal areas of Chhattisgarh has been dealt by the multi-pronged efforts of JSS. Mortality due to this disease has reduced significantly in and around Bilaspur district. Besides offering timely diagnosis and treatment, JSS has developed low-cost mosquito repellent creams and oils based on herbs obtained from this herb-rich State.

Source: <http://www.thehindubusinessline.com/life/2007/08/24>

### ***Jamkhed (Maharashtra): An innovative project***

In the *Jamkhed* community development block, Ahmednagar district, in one of the poorest regions of Maharashtra state a Comprehensive Rural Health Project (CRHP) is being continuing. The project is a community-based primary health care and development programme. Since 1970, its focus is on preventing disease at the community level using local resources. CRHP has three-tier approach: the community which involves the village health worker and women's and men's clubs and is the focal point of the project; the mobile health team whose primary role is to support the VHW and facilitate health and development activities; and the hospital and training centre. In this initiative one can see an enormous vision turning into reality which has transformed the lives of 250,000 poor and marginalised people in and around Jamkhed since this project's inception. Infant mortality, a

reliable health indicator, has been reduced from 176 to 19 per 1000 births; birth rates have fallen from 40 to 20 per 1000 population. The guidance and inspiration for this pioneering work by CRHP was provided by Mabelle Arole.

Mabelle Arole, together with her husband Rajnikant, demonstrated that health can be an entry point into socio-economic development. They worked closely with government health programmes in the area, particularly in family planning, immunisation, leprosy, and tuberculosis identification and care. CRHP has trained hundreds of government PHC doctors, nurses and matrons, as well as medical and paramedical students.

At Jamkhed, a unique process in community action has been nurtured to result as one of the best primary health projects in the world. This project has evidences of bringing down infant mortality and child mortality down drastically. Jamkhed Project has demonstrated that health could be an entering wedge into total socioeconomic development. It has proved that the very poor have a capacity for change and can effectively take positions of leadership if given a chance and some support. Illiterate and outcaste rural women can become leaders and address international conferences and advise the Prime Minister of India.

**Source:** <http://www.indianngos.com/issue/health/jamkhed.htm>

### ***SEARCH: Pioneer in Addressing Child Malnutrition in Gadchiroli***

Society for Education, Action and Research (SEARCH) in Community Health is a non-government organisation founded in 1985 by a doctor couple, Dr. Abhay Bang and Dr. Rani Bang in a place 17 Km from Gadchiroli.

Well known for exposing the Hidden Child Mortality in Maharashtra in 2001 this couple had brought out first ever community-based estimate of the magnitude of gynaecological problems in rural women in 1989 which paved the way for the international policy shift to women's reproductive health. The organisation worked in developing a surveillance system to record births and deaths, and determines causes of death in children. Their innovations led to developing a simple device – Breath Counter, to enable illiterate TBAs diagnose pneumonia in children and also a five year field trial of home-based neonatal care to reduce neonatal mortality. They have been working through village health workers and traditional birth attendants to diagnose and treat diarrhea and minor ailments for children under 5 years age. Constantly exposing rural health issues to larger health sector the organisation is working in 37 tribal villages (population 10,000) of *Dhanora Tahasil of Gadchiroli district* through village level workers and “Danteshwari Sewaks”, the village volunteers selected and partially supported by the community to work on Malaria prevention and control and other community empowerment issues.

<http://www.searchgadchiroli.org>

### ***SATHI CELL: Training Village Health Workers in Collaboration with State Departments***

Support for Advocacy and Training to Health Initiatives (SATHI) is an initiative of CEHAT, an NGO working on health rights in Maharashtra. It was an initiative thought to be integrated with the *Pada Swayamsevak Scheme* (PSS) or Hamlet Health Volunteer Scheme, started by the government of Maharashtra for tribal areas. However, the scheme being functional for 6 years it was felt that the

training given under this scheme was extremely perfunctory and hence it has not led to significant improvement of village level health services. CEHAT working in tribal areas of Maharashtra proposed that the definite potential of well trained CHWs in tribal areas will be able to provide basic health services at the hamlet level, in an accessible and affordable manner.

A two years pilot project, an improved and upgraded version of the PSS (Hamlet Health Volunteer Scheme) later also called *Pada Arogya Sathi* was planned in 2003 to strengthen village level health services in a selected tribal talukas in Maharashtra by CEHAT with support from the Tribal Development Department and Health Department of Maharashtra Govt.

Right from the stage of selection, the community was involved directly in supporting and monitoring the work of the PSS. A five-member *jan arogya samitis* at the *pada* level facilitated support to the PSS. The Health Calendar programmes to improve utilisation and develop community monitoring of village health services by ANMs / MPWs were organised at the Pada level by the PSS along with the *jan arogya samiti*.

After a successful intervention in Dahanu Taluka of Maharashtra the project spread to new areas under Sathi Cell of CEHAT

- Dahanu and Jawhar talukas, District, Thane, Maharashtra
- Aajra taluka, District Kolhapur, Maharashtra
- Sendhwa-Khargone region, Madhya Pradesh

Source: <http://www.cehat.org/as/as.html>

### ***IHMP (Pachod): Comprehensive Health and Development Project***

The Marathwada, one of the most underdeveloped regions of Maharashtra experienced the worst famine of the century for a period of three years, from 1971 to 1974. A young medical graduate keen to start a community health programme heard about the need for health services in this drought hit region. IHMP (Institute of health management) began in 1975, with the provision of curative health services from a 5-bed hospital at Pachod, a small village in Aurangabad district. The focus was on maternal and child health services.

By early 1977, a team of health professionals consisting of two doctors, a nutritionist and a demographer had got together to initiate a Comprehensive Health and Development Project in 52 villages with its base at Pachod.

Over the years of work IHMP has developed community based surveillance and management systems for immunisation, women's health and child health. A system for the management and care of neo-nates has also been developed. District level management systems for different components of primary health care have been developed by IHMP. It has established a preventive model for malnutrition in children under three years. A programme of imparting life Skills for Adolescents by IHMP is based on the evidence that literacy and education improves the health and social status of women. This programme focuses on sexuality education, anaemia prevention and improvement of the reproductive health of adolescent girls.

Source: <http://www.ihmp.org>

## 4. Right to Food

### 4.1 Introduction

Food is a basic human necessity. It is basic not only to the active life of individuals but also to their very survival. Everyone has a fundamental right to be free from hunger and have access to sufficient, safe and nutritious food and its effective utilisation for an active and healthy life. There can be no place for hunger in a modern world in which science and technology have created conditions for abundance and equitable development.

In the welfare framework within which Indian democracy functions, the state is responsible for ensuring food security to all citizens. The thinking of the Indian Constitution<sup>2</sup> makers in this regard was articulated in Article 21, which states that no person shall be deprived of his life or personal liberty except according to procedure established by law. Article 39 more explicitly states that the State shall, in particular, direct its policy towards securing: (a) that the citizens, men and women equally, have the right to an adequate means of livelihood; (b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good.

Also noteworthy is Article 47 that gives direction to the state to raise the level of nutrition and standard of living of its people and to improve public health, and to make these among its primary duties<sup>1</sup>. What further makes it binding on the Indian State to do so is its adherence to international treaties such as the Universal Declaration of Human Rights (UDHR) and the International Convention on Economic, Social and Cultural Rights (ICESCR).

Article 25 (1) of the UDHR says that everyone has the right to a standard of living adequate for the health and well being of himself and of his family, including food, clothing, and housing. Article 11 of the ICESCR holds that the state parties recognise the right of everyone to an adequate standard of living for himself and for his family, including adequate food, clothing and housing. Paragraph 2 of the same article says that the State parties shall recognise the fundamental right of everyone to be free from hunger, and lists measures to be taken individually and through international cooperation in order to bring hunger to an end. Concerns regarding right to food also find a special place in many other international agreements such as the convention on the rights of the child, convention on the protection of migrant workers, convention on the elimination of all forms of discrimination against women, and many conventions of the international labour organisation.

Speaking about the meaning of the right to food, the ICESCR says that the right to adequate food is realised when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food, or means for its procurement. The right to adequate food shall therefore not be interpreted in a narrow or restrictive sense, which equates it with a minimum package of calories, proteins and other specific nutrients. The right to adequate food will

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<sup>2</sup> Other provisions of the Indian Constitution that have implications for the right to food are the Preamble that talks about guaranteeing social, economic, and political justice, and intends to make India a socialist country; Article 21 that speaks of the right to live with human dignity, and Article 38 which holds that the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social and economic, shall inform all the institutions of national life.

have to be realised progressively. However, States have a core obligation to take the necessary action to mitigate and alleviate hunger, even in times of natural and other disasters.

The core content of the right to adequate food implies the availability of food in a quantity and quality sufficient to satisfy the dietary needs of individuals, free from adverse substances, acceptable within a group culture, and the accessibility of such food in ways that are sustainable and that do not interfere with the enjoyment of other human rights (ECOSOC 1999). The world food summit in Rome in 1996 held that food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life (<http://www.fao.org>).

## 4.2 Meaning of Food Security

The concept of food security could be interpreted in many ways. At the most basic level, it could be taken to refer to absence of hunger. In this sense, there still are households in India that do not get a square meal a day. Official data taken from the National Sample Survey in 1983 shows that the proportion of households reporting availability of adequate food throughout the year was 81.1 percent in rural India and 93.3 percent in urban India (NSS 50th Round, GOI, 1998:61). However, data taken in 1993-94 shows an increase for both the rural and the urban households -94.5 percent for rural households and 98.1 percent for urban households. This household level data, however, conceals the individual-level hunger that happens as a result of discrimination within the household and among those who live without shelter (destitute) etc.

A second way of looking at the same issue would be to ensure that the nutritional intake enables an individual or a household to lead a healthy and active life. The India Human Development Report released by NCAER in 1999 reveals that the average per capita consumption of food grains in India is 14 kg per month for rural India as a whole, which corresponds to 467 grams a day. This estimate is less than the nutritional norm for the rural population (NCAER 1999). The national nutrition monitoring bureau and the national family health survey that provide data on nutritional status in general as well as in vulnerable groups, show that the instance of under-nutrition among children and chronic energy deficiency among the rest of the population, even though slowly declining, is still alarmingly high in the late nineties, and its incidence is higher than that of income poverty.

A third way of looking at food security could be to focus on the share of different segments of the population in the food produced by the community or the nation as a whole. High production alone does not guarantee that food is available to all adequately. Since poor people cannot afford to buy adequate quantities of high cost food grains, at times there is a highly deceptive situation of food surplus. Therefore, simply focusing on national food supplies is not enough to solve the problem. Food security is not just about growing more food, but also about who can buy that food and where the food is available; it is also about who eats what kind of food and when. In this sense, policy interventions should target the chronically undernourished people (whose calorie intake is below specified minimum energy requirements), those who suffer from hidden hunger (unbalanced diets leading to vitamin A, iodine and iron deficiencies) as well as those who are food insecure due to exposure to recurrent disasters.

### 4.3 Food Policy of India

The concept of food security in India has undergone considerable changes since the First five-year plan. In the earlier years, the focus was on achieving self-reliance in production, to ensure equitable distribution, and to bring about price stability in the context of both production and distribution (Sixth-five year plan, Planning Commission, GOI). Thus, the focus was on building buffer stocks of food grains, maintenance of adequate stocks and on open market operations with a view to correcting adverse price trends. In other words, food security was defined in terms of self-sufficiency of the country in production, high/low quantities of production, national food availability and stability.

It was the Ninth five-year plan that took a broader view of food security by focusing on nutritional security and speaking of ensuring availability, accessibility, acceptability and affordability of a balanced, nutritious diet for all. The Tenth five-year plan (2002-07) envisaged an intensification of nutrition and health education, intensified health monitoring, especially among vulnerable segments, the elimination of iodine deficiency diseases and vitamin-A deficiency, and substantial reductions in the prevalence of underweight children and anaemia.

India has the world's largest officially supported food and nutrition security programme. The most noteworthy programme is the Public Distribution System (PDS). Public distribution of essential commodities is not a recent phenomenon. It can be dated back to 1943 and the Bengal famine, when the colonial government decided to develop a comprehensive food policy for the country. However, the system evolved and acquired a different face in the post-colonial period both in terms of area covered, quantity of food grains it handled, and the costs involved.

Since the mid-1960s, it has been seen as a scheme that helps cope with emergency situations (such as droughts, floods and cyclones), distributing food at fair prices to vulnerable people and guaranteeing remunerative prices to farmers. Till the late 1970s, it was mainly confined to urban and food deficit areas with emphasis primarily on price stabilisation. The welfare dimension of the scheme became prominent during the early 1980s, and its coverage has been extended to rural areas, tribal areas and other such areas with a high incidence of poverty<sup>3</sup>.

It was during the Ninth five-year plan period (1997-2002), that targets were shifted to focus on people living Below the Poverty Line (BPL), and to increased availability of food. This assigned a new role to the PDS by making it not only an instrument for sustaining food production, but also a mechanism for supplying food grains to consumers at subsidised rates. Besides the food corporation of India, the state trading corporation of India, the national consumers cooperative federation and various public sector oil companies are entrusted with the task of supplying commodities at prices fixed by the central government.

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3 Most significantly, the GoI launched the Revamped Public Distribution System (RPDS) in 1992 in 1775 blocks that targeted the poor in tribal, hilly, drought-prone and remotely located areas. The scale of ration was fixed at 5 kg per head subject to a maximum of 20 kg per family per month. In 1997, Targeted Public Distribution System (TPDS) was started with a view to focus on the people living Below the Poverty Line (BPL).

### Box 12: Food Corporation of India

The Food Corporation of India (FCI) was set up under the Food Corporations Act 1964, in order to fulfil the following objectives of the Food policy.

- Effective price support operations for safeguarding the interests of the farmers.
- Distribution of food grains throughout the country for Public Distribution System; and
- Maintaining satisfactory level of operational and buffer stocks of food grains to ensure national food security.

At present, FCI is the primary agency for procurement, storage, preservation and distribution of food grains in the country. FCI operates through a countrywide network with its corporate office in New Delhi, five zonal offices, 22 regional offices practically in all the state capitals, one port operation office, 173 district offices and over 2,178 depots.

The total stock in the central pool as on 30/11/2003 is 25.43 Prov./million tonnes. The total stock of rice with FCI is 5 million tonnes and wheat is 4.32 million tonnes. The mode of operation of FCI is public distribution of food grains through the 4,50,000 fair price shops spread all over the country.

A very significant function of the FCI is to maintain buffer stocks. The buffer stock amount as of October 30, 2003 was 5.00 million tonnes rice and 4.32 million tonnes wheat

**Source:** <http://www.fciweb.nic.in>

The food policy of India today broadly seeks to address three categories of food insecurity:

1. Chronic food insecurity (through food distribution and food for work programmes);
2. Nutritional insecurity of vulnerable groups such as pregnant women and children (through supplementary and mid-day meal programmes);
3. Transitory food insecurity (through food assistance for disaster relief, and long-term disaster prevention and preparedness programme).

Some of the major food-related schemes with the entitlements are given below.

#### ***National Programme for Nutritional Support to Primary Education***

Started in 1995, the national programme for nutritional support to primary education, popularly known as the Mid-Day Meal Scheme (MDMS), sought to introduce cooked mid-day meals in all government primary schools within two years. The state governments, in the meanwhile, were allowed to distribute monthly dry rations to the children instead of cooked mid-day meals. Responding to a petition from the Peoples' Union for Civil Liberties (PUCL) of April 2001, regarding non-implementation of food schemes, including the MDMS, the Supreme Court instructed the states to introduce it within six months. This, according to the court, was to be done in two phases: by February 28, 2002 for those districts that had started distributing the dry rations, and by May 28, 2002 for the rest of the districts.

The allocation for the scheme is made by the centre through the FCI to each district in the form of a quantity of 100 gm of grains per child per day. The allocation is made based on the off take of the previous term. The district collector coordinates the scheme with the department of education and the *gram sabhas* on issues of logistics. Cooked meals with a content of 300 calories and 8-12



gm of protein are to be provided to all primary school going children (Std I-5). The meals are to be provided on every working day of the school and for at least 200 days a year to students having a minimum of 80 percent attendance in the previous month. Where dry rations are given, 3 kg of wheat or rice per month is to be provided to every child with 80 percent attendance for 10 months in a year.

Initially started as a scheme that aimed to check the dropout rate, it is increasingly being seen as a scheme that has the potential to handle food security problems faced by children belonging to the marginalised sections.

### ***Targeted Public Distribution System (TPDS)***

The scheme was introduced in 1997 to target disadvantaged and poor people across the country. The TPDS offers two separate distribution channels: one aimed at the BPL households, and the other at the Above Poverty Level (APL) households. The BPL households are to be identified on the basis of household surveys. The BPL families are given a card of a different colour to distinguish from the APL families. Under the channel for BPL households, the central government transfers wheat and rice at about ha Central Issue Price (CIP) set for the PDS to the state governments. The total number of families to be covered by TPDS in each state is chosen by the expert group of the planning commission. Initially, the monthly ration under the TPDS was kept at 10 kg per poor household, and was increased to 20 kg per family with effect from April 1, 2000. This was further increased to 35 kg of wheat/rice per month.

Responding to the PUCL petition, the Supreme Court, on November 28, 2001, ordered states to complete the identification of the BPL families, issue cards, and commence distribution of 25 kg of grain per family per month.

Despite the orders of the Supreme Court, identification of the BPL families remains incomplete in many places. What was also seen during the field survey was the discrimination in identification and distribution of the cards. In many places people who were close to local politicians and local decision-makers got the BPL and *Antyodaya Awas Yojana* (AAY) cards while those who were entitled to them did not. Also noteworthy are the problems relating to the accessibility of the shops in terms of distance. Lack of availability of commodities and closure of the PDS shops also posed a problem.

### ***Antyodaya Anna Yojana (AAY)***

Introduced in 2000, this scheme seeks to provide food security to destitute households. It must be remembered that PDS has always been supplemental in nature and has never met the full requirements of any section of the people.

Under this scheme, provision has been made to identify one crore families to receive a special Antyodaya card, with which they can claim the grain from the local ration shop. The identification of the families is to be done by *gram sabhas*. Initially, the cardholders were to be provided 25 kg of grains each month at the price of Rs 2 for one kilo of wheat and Rs 3 for one kilo of rice. This was later increased to 35 kg of wheat/rice per month at Rs 2/3 per kilo.

AAI is a significant scheme as it extends the scope of PDS by reducing hunger among the poorest segments of the BPL population. The coverage of the scheme has been a subject of debate. As it exists today, 5 percent of the rural population benefits from this scheme. Recommendations have been made to increase this to 10 percent of the rural population. The scheme also needs to be extended to cover vulnerable sections of society.

### ***Annapoorna Scheme (AS)***

The scheme was introduced in 2000, keeping in view the elderly persons who do not have income of their own and are obliged to depend on pension from the government. Under it, 10 kg of food grains (rice or wheat) per month is to be provided free of cost to eligible senior citizens (above 65 years) who are below the poverty line and remain uncovered under the National Old Age Pension Scheme. The total number of beneficiaries is not to exceed 20 percent of the old age pensioners within a state. The *gram sabha* identifies the beneficiaries who get a card that entitles him/her to receive the food grains - rice or wheat - depending on the local staple diet. The department of rural development is responsible for releasing the funds to the state food and civil supplies department, which coordinates with the FCI and other agencies concerned. The state department of public distribution is the nodal agency.

### ***Integrated Child Development Scheme (ICDS)***

This scheme was launched in 1975 following the adoption of the National Policy for Children (1974). It provides a package of services comprising supplementary nutrition, immunisation, health check-up, referral services, pre-school education and health and nutrition education for the mothers.

In each ICDS project, there are on an average 140 *anganwadi* centres that are focal points for delivery of services under the scheme. The grassroots level unit of ICDS is the *anganwadi* in rural, tribal or slum areas. An *anganwadi* is generally established in a rural/ slum area having a population of about 1000, while in the tribal areas, it is set up for a population of about 700. An *anganwadi* worker and an *anganwadi* helper manage each *anganwadi*. The worker monitors and promotes the growth of children with active participation of the community/mothers.

At an *anganwadi*, the worker provides services to about 60 children below 6 years of age and 12 pregnant and nursing mothers. The child development project officer is in charge of an ICDS project and provides the link between ICDS functionaries and the government administration. Being a centrally sponsored scheme, the full cost of operational requirements of ICDS is borne by the centre while the state provides funds for meeting the cost of supplementary nutrition.

According to the scheme, children up to 6 years are to be provided 300 calories and 8 to 10 gm of protein. Adolescent girls are to be provided 500 calories and 20-25 gm of protein per day. Pregnant and nursing mothers get 500 calories and 20-25 gm of protein per day. Malnourished children are entitled to double the daily supplement provided to the other children (600 calories and/or special nutrients on medical recommendation).

Acting on the PUCL writ, the Supreme Court had issued instructions to the states and the union territories to implement the ICDS in full and to ensure that every ICDS disbursing centre in the country shall provide each child up to 6 years of age to get 300 calories and 810 grams of protein, each adolescent girl to get 500 calories and 20-25 grams of protein, each pregnant woman and each nursing mother to get 500 calories and 20-25 grams of protein, each malnourished child to get 600 calories and 16-20 grams of protein. Direction was also issued to have a disbursement centre in every settlement.

### ***National Old Age Pension Scheme***

Introduced under the national social assistance programme on August 15, 1995, this scheme is meant for people (aged 65 years or above) with little or no regular means of subsistence of their own and no financial support from family members or other sources. The basic pension is Rs 75 per month per beneficiary. State governments may add to this basic amount from their own resources. The central government sets an upper ceiling on the number of beneficiaries for a state/union territory.

### ***National Family Benefit Scheme***

This scheme provides assistance to BPL households in the event of death of the primary breadwinner (aged 18-64) in the family. The amount of assistance to be given is fixed at Rs 10,000. This family benefit is paid to such surviving member of the household of the deceased who, after local inquiry, is determined to be the head of the household.

### ***National Maternity Benefit Scheme (NMBS)***

This scheme entails a cash assistance of Rs 500 to be provided to pregnant women of BPL households provided they are 19 years of age or above. The benefit is available up to the first two live births, and aims at handling the pre-natal and post-natal maternity care. The benefit is disbursed 8-12 weeks prior to the delivery. In case of delay, the benefit may be given even after the birth of the child.

### ***Scheme for Supply of Food grains to SC/ST/OBC hostels***

Introduced in 1994, this scheme comes under the Ministry of Social Justice and Empowerment. The residents of the hostels having two-third students belonging to these categories are eligible to get 15 kg food grains per resident per month.

### ***Food for Work (FFW)***

This scheme comes under the employment assurance programme for rural areas, and is linked to other such programmes as the Employment Assurance Scheme (EAS), and the *Jawahar Gram Samridhi Yojana* (JGSY). The EAS sought to create additional employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line while the JGSY intended to create need-based rural infrastructure at the village level. The Food for Work scheme was started in January 2001 by the ministry of rural development to meet the high demand for wage-employment and food security due to occurrence of calamities. The scheme provides additional allocation of food grains (rice and wheat) free of cost to the states

and union territories as an additional resource. Five kilos of food grains are to be ensured per manday to all unemployed rural workers. The remaining part of the wages is to be paid in cash. In 2002-03, the Food for Work programme in drought-affected areas was continued under the special component of *sampoorna gramin rozgar yojana*<sup>4</sup>.

#### 4.4 The Paradox

In 2003, the production of food grains was 182.57 million tonnes, and the present stock position as available from the FCI database is 25.43 million tonnes (for 2002-03). If this is compared with the buffer stocking policy of food grains, we find that there is a burgeoning stock of food grains in the central pool. This observation becomes more valid in view of the fact that no import of food grains had taken place during 2001-02. On the other hand, wheat and rice were being offered for export to PSUs/agencies/private parties. A total of 38.22 lakh million tonnes of wheat for export was lifted by PSUs / agencies/private parties from the central pool during 2001-02. Some 19.87 lakh million tones of rice was lifted by exporters during 2001-02 (GOI, Publication Division 2003). The buffer stock norms as per the policy should be as under:

**Table 64: Buffer stock norms (in million tonnes)**

Food grains	July 1	Oct 1	Jan 1	Apr 1
Rice	10.0	6.5	8.4	11.8
Wheat	14.3	11.6	8.4	4.00
Total	24.3	18.1	16.8	15.08

The Indian food situation, however, presents a paradoxical situation if we look at the fact that India is not only a food surplus country that can help other countries by way of food aid, but is also an exporter of food grains. What is also pertinent is to have a look at the statistics of food-related deaths presented chiefly by civil society organisations, the media and autonomous agencies.

#### Box 13: Starvation Deaths

- In its first report, the Tribal Research and Training Institute, Pune, held that 75 percent of the deaths in its sample study were malnutrition related (Tribal Research and Training Institute, Pune, 6.5.2002). In its second report, it was pointed out that the cause of death as revealed by the government doctor of Khaneevali Primary Health Centre did not rule out malnutrition in respect of the 26 deaths surveyed (TRTI, Pune, 25.11.2002).
- Four starvation deaths were reported and were also documented by a team from *Gram Swaraj Abhiyan* and Delhi School of Economics in Manatu, Jharkhand (*The Pioneer*, July 23, 2002).
- 10 people died after eating rotten food, not being able to afford edible food in Rayagada, Kashipur block, Orissa (*The Hindustan Times*, August 27, 2002).
- About 60 people died because of malnutrition in Kisanganj, Rajasthan (*Dainik Navijyothi*, October 10, 2002).

<sup>4</sup> Sampoorna Grameen Rozgar Yojana was started on September 25, 2001, and all the wage employment schemes were merged in it.

- Media reports stated that around 50,000 people in Orissa, most of them from Kalahandi district, were starving and needed emergency feeding (*Indo-Asian News Service*, July 29, 2003).
- The *Jan Sunwai* held in Delhi on January 10-11, 2003 revealed that people belonging to communities such as *Sahariyas* and *Musahars* are prone to chronic hunger. Murari Ganapat, a Sahariya of Mudiari village in Baran district, Rajasthan, said that he, the sole breadwinner in his family, had fallen ill and was unable to work for three months. His family had tried to survive on *sama* grass seeds, but one by one, his father, wife, daughter and mother died (Chamaraj 2003).

What emerges is that the problem of hunger in India is more in terms of chronic food insecurity than primary association with poverty and inadequate diet, or deaths due to what is called transitory food insecurity<sup>5</sup>. Studies also state that under-nourishment is severe among women and children (International Institute of Population Studies 1998-99).

#### 4.5 Findings of the Study

One of the main aims of the study, as has already been mentioned in the first chapter, was to assess whether the people, especially the marginalised sections of society, received the benefits of the food policies and schemes. The study was conducted in 10 villages in each of the three states of Maharashtra, Chhattisgarh and Karnataka. The respondents were chosen so as to include Scheduled Caste and Scheduled Tribe families who lived below the poverty line. The questionnaire on food security was set keeping in mind awareness of the schemes, accessibility of the people to the schemes, availability of commodities and the cultural acceptability of the food distributed.

##### 4.5.1 Awareness of the schemes

Any discussion on the success of government schemes has to make reference to the role of information and public awareness of the initiatives. This is particularly true for the food schemes as these cannot be successful unless the beneficiaries have knowledge about their entitlements. Our study found differences in the level of awareness of various schemes in the three states.

**Table 65: Awareness of schemes (%)**

Schemes	Chhattisgarh	Maharashtra	Karnataka
MDMS	100	100	100
TPDS	98	100	98
NMBS	18	31	2
AP	25	28	NA
AAY	77	75	80
FFW	97	54	57

**Source:** Primary data

<sup>5</sup> Transitory food insecurity is associated with the risks related to either access or the availability of food during off-season, drought and inflationary years.

Table 66 shows that awareness of the mid-day meal scheme (MDMS) was 100 percent in all the three states. This could be regarded as an achievement for the government. Discussions with the respondents revealed that the teachers in the schools paid special attention to the distribution of information regarding the mid-day meal. It must be remembered that the mid-day meal scheme was initiated to check the dropout rate for which the teachers are accountable.

As far as the **targeted public distribution system** was concerned, the level of awareness at 98 percent in Chhattisgarh and Karnataka, and 100 percent in Maharashtra, could be considered as a success. One of the chief reasons for this is the fact that the scheme has been functional for quite a long time though under various names such as public distribution system, the revamped public distribution system and the present targeted public distribution system. The respondents, however, said they were not aware of the change in the quantity of their entitlements. Of the 30 villages surveyed, only six panchayats had displayed the rates of the commodities, and none had displayed the complete Supreme Court guidelines and list of the current public distribution entitlement. None of the panchayats visited by our investigators in Chhattisgarh had put up the list of schemes or rates of the commodities. Some village panchayats in Karnataka had displayed the schemes with the rates of grains. These, however, were not based on the modified current amount of entitlement. The investigators felt that panchayat members were not keen to make the village people aware of the schemes.

Schemes such as the *annapoorna* and the **national maternity benefit scheme** were little known among the public. The percentage of respondents who spoke positively about having knowledge of the national maternity benefit scheme for Chhattisgarh, Maharashtra and Karnataka were 18 percent, 31 percent and 2 percent respectively. Twenty-five percent of respondents in Chhattisgarh and 28 percent of respondents in Maharashtra had knowledge of the *annapoorna* scheme. Given the fact that these two schemes are meant to benefit two very crucial disempowered sections of our society -senior citizens without any other source of income, and pregnant women of BPL households -the low percentage of awareness raises a number of doubts about the efficiency of agencies such as *anganwadis* and *gram panchayats*.

A look at the awareness levels of the Scheduled Castes, Scheduled Tribes and the Other Backward Classes shows that the Scheduled Tribes have slightly lower levels of awareness.

**Table 66: Awareness of schemes among SCs, STs and OBCs**

Schemes	Maharashtra (%)			Chhattisgarh (%)			Karnataka (%)		
	SC	ST	OBC	SC	ST	OBC	SC	ST	OBC
MDMS	100	100	100	100	100	100	100	100	100
TPDS	100	100	100	100	100	100	100	100	100
NMBS	20	33.72	12.5	40	11.47	17.64	1.61	-	5.55
AS	-	30.23	37.5	26.66	25.39	17.64	-	-	-
AAV	100	72.09	87.5	40	80.95	64.7	90.32	60	77.77
FFW	60	53.48	50	100	95.23	88.23	67.74	36.36	55.55

Source: Primary data

Interactions with the respondents revealed that distribution of information or lack of it is used by vested interests to serve their own political ends. Food policy, since the very beginning, has been an issue of populist politics. Cheap food is among the promises that politicians make to try and win elections. In this sense, food policies that can be best used to build vote banks are often given more importance. Another fact that investigators debated was who was to be held accountable for not spreading accurate information regarding the entitlements to beneficiaries under the various food schemes? In Karnataka, for example, none of the panchayats visited by the investigators had displayed the Supreme Court directives.

#### 4.5.2 Accessibility of the schemes

Data projected by the Indian government regarding production of food grains and the mounting buffer stocks gives the impression that the problem of food security is solved at least at the national level. The truth is something else. The problem lies more in food distribution than in food production. Careful consideration of food security related problems needs a focus that goes beyond food production and recognition of the low income of the poor. This section attempts to focus on this aspect.

As far as the **mid-day meal scheme** is concerned, the problem of accessibility is linked to the attendance levels of the students. In Karnataka, the investigators found a trend of low level of attendance by girl students, which was attributed to their gender role of taking care of their siblings. The study attempted to understand the other possible impediments. The regularity of the distribution of food -whether it is every day, once a week, or once a fortnight -was quite satisfactory in all the schools surveyed. Almost 100 percent of respondents were satisfied with the form -cooked/uncooked -in which the food is distributed. Respondents in Karnataka stated that though dry ration was distributed earlier, at present all the schools provided cooked food. In all the surveyed village schools, there was no caste-based discrimination in the distribution of food.

The best way to investigate the accessibility of the **targeted public distribution system** was to find out how many households had a ration card, and the distance of the fair price shops that distribute the rationed commodity from people's homes. The issue of owning a ration card by a BPL family is important because various agencies, including the commissioner's report to the Supreme Court in the right to food case, have highlighted the flawed methodology and the defective implementation of surveys to determine households that are to benefit from the schemes.

**Table 67: Reasons owning a ration card**

States	% owning ration card
Chhattisgarh	78
Maharashtra	100
Karnataka	100

Source: Primary data

In Chhattisgarh, 78 percent of households owned a ration card. The 22 percent percent that did not have ration cards said they had no time to chase government agencies to procure the cards, or did not know the procedure.

**Table 68: Reasons for not having a ration card**

Reasons	% of respondents
No proof of residence	4.5
Could not give bribe	23
Not aware	14
Panchayat did not issue	27
Any other	31.5

**Source:** Primary Data

As shown in Table 67, 4.5 percent of the respondents said they were not eligible for ration cards -which is essential for receiving the rationed commodities -because they did not have proof of residence. This was due to their migrant status. Twenty-three percent of respondents said they could not afford the bribe demanded and 14 percent said they didn't know they were required to get a ration card. As many as 27 percent of the respondents said they had gone to the panchayat to get a ration card but were not provided one and 31.5 percent could not give any specific reason for not having a ration card. It should be remembered that the respondents chosen for the study in all the states belonged to the marginalised sections of society. In Chhattisgarh, respondents included members of the extremely deprived Baiga community.

Another yardstick by which the government's sincerity in making schemes accessible to marginalised people can be measured is the distance of the fair price shop from people's homes.

**Table 69: Distance of PDS shops (%)**

Distance	Chhattisgarh	Maharashtra	Karnataka
Less than 2 km	10	74	55
More than 2 km	90	26	45

**Source:** Primary data

In Chhattisgarh, only 10 percent of respondents stated that the fair price shop was situated within 2 km of their home. Investigators observed that the normal distance of PDS shops from Baiga-inhabited villages was 15 to 17 km. In Maharashtra, 74 percent of respondents said that the distance from their homes to the nearest PDS shop was less than 2 km. In Karnataka, 61 percent of respondents said that the distance was less than 2 km.

For the **Integrated Child Development Scheme** to be successful, what is most important is the accessibility of the ICDS homes or anganwadis to the target groups. The issue becomes all the more



important as the scheme is primarily to benefit pregnant women, infants and adolescent girls who belong to the most vulnerable sections of society.

Sixty percent of respondents in Chhattisgarh stated that the distance of the *anganwadi* from their homes was less than 2 km while 40 percent reported it as more than 4 km from their homes. There were no ICDS homes or *anganwadis* in villages inhabited by the Baigas. In Maharashtra, 84 percent of respondents reported the distance as less than 2 km from their homes. The *anganwadis* in Maharashtra seem to be well spread out as all the villages visited had *anganwadis* nearby. In Karnataka, 81 percent of respondents reported the distance to be less than 2 km, 13 percent stated it to be more than 2 km but less than 4 km, and 6 percent said that the *anganwadi* was more than 4 km from their homes.

### 4.5.3 Availability of commodities

What is most significant for a study that intends to examine the outreach of government initiatives for the people is the form in which it reaches the beneficiaries. The issue of availability of food, for the purpose of our study, focuses on the actual amount (of food grains/money) received by the beneficiaries as entitlements.

In the **mid-day meal scheme**, the regularity with which food was distributed was found to be quite satisfactory in all the three states under study. Discussions with the respondents, however, revealed that there was a lot to be desired in what was actually provided in the name of a mid-day meal. In most schools, children were given either only rice and onions, or only *khichdi* (rice and dal cooked together). In Nare and Biloshi villages in Maharashtra, interactions with students revealed that the food was cooked without any oil and smelt of turmeric and was often not cooked properly. In Kandla village of Maharashtra, students complained that there was not enough food to go around. They also revealed that the students were frequently sent during school time to get fuel-wood.

In Karnataka, the schools served rice and *sambhar*. Most respondents in Maharashtra and many in Karnataka revealed that the school asked them to get raw vegetables from home that could be cooked as a side dish, or to get money. Discussions with teachers pointed to the inadequate monetary allocation for fuel and the side dish. This was particularly the case in Chhattisgarh. In Karnataka, the food that remains after feeding the target group was distributed among the sixth and seventh standard students. All the schools visited by investigators had hired cooks from the village. Cooks in Chhattisgarh complained that they were not paid their salaries regularly.

The investigators in all the three states observed that the mid-day meal scheme should be seen only as a scheme that focuses on lowering the dropout rate, and could not be termed as a major food scheme. This observation came out of the fact that children are provided food only on working days, and not even on Saturdays (half-working day). In this sense, the focus of the scheme was not the nutritional requirement of the children but only the attendance levels.

In assessing the efficiency of the **targeted public distribution system** investigators focused on the regular availability of essential commodities such as rice, wheat, sugar, edible oils and kerosene in the PDS shops. Discussions with the respondents revealed that PDS shops not staying open regularly was one of the most significant reasons for the failure of the PDS in India.

**Table 70: Frequency at which the shops open (%)**

Regularity	Chhattisgarh	Maharashtra	Karnataka
Every working day	22	50	19
Once a week	22	10	19
Once a fortnight	0	18	27
Once a month	0	22	15
Cannot say	56	0	28

**Source:** Primary Data

In Maharashtra, 50 percent of the respondents stated that the PDS shops in their areas were open on every working day, 10 percent said they were open once a week, 18 percent said the shops in their areas were open only once a fortnight, and 22 percent reported that the shops were open only once a month. Interactions with the respondents revealed that agencies taken by members of marginalised communities were open more regularly while those owned by influential sections of society focused more on selling non-PDS items. Many respondents belonging to the tribal community in Nare village of Maharashtra said that '*Jevha aaamchakade paise astat tevha tenchakade ration naste, aani jevha tenchakade ration aaste tevha aamchakade paise nastat*' (when we have money, they don't have rations and when they have rations, we don't have money).

In Karnataka, 19 percent said that the shops were open on every working day, 19 percent said they were open once a week, 27 percent said the shops opened once a fortnight while 15 percent said they were open just once a month. What is most significant in this investigation is the percentage of people who reported not having any idea of the number of days the shops were open -56 percent in Chhattisgarh and 25.45 percent in Karnataka.

Many respondents from the Baiga community in Chhattisgarh said that their long working hours (from early morning till late evening) did not leave them with much time to go to the PDS shop and wait in the long queue. What also made it difficult for members of this community to avail of their rations was that the PDS shops were located in places that were far from their villages. Most PDS shops in these areas, in fact, opened only on the haat (market) day, that is, twice a week. In some villages of Karnataka, rice was not distributed through PDS shops but through the panchayats. Instead of resolving the problem, this has created conflicts among members with regard to owning responsibilities.

To gauge how much the respondents depend on the government's TPDS scheme, they were asked what commodities were available in the PDS shops. The tables below show the results.

**Table 71: Dependence of the respondents on the PDS shops in Chhattisgarh**

Commodities	Percentage of respondents
Rice	1
Wheat, rice, Sugar	5
Wheat, rice, kerosene	2
Wheat, rice, sugar, kerosene	82
Wheat, rice, sugar, kerosene, any other	7
NA	3

*Source:* Primary data

In Chhattisgarh, 82 percent of the respondents who said they depended on PDS shops reported getting wheat, rice, sugar and kerosene quite regularly. Only 1 percent said they got only rice while 5 percent said they got wheat, rice and sugar from the shops. Two percent of respondents reported depending on PDS shops for wheat, rice and kerosene.

**Table 72: Dependence of the respondents on PDS shops in Maharashtra**

Commodities	Percentage of respondents
Wheat	7
Wheat, rice	18
Rice, kerosene	6
Wheat, rice, sugar	8
Wheat, rice, kerosene	20
Wheat, rice, sugar, kerosene	32
Wheat, rice, sugar, any other	3
Wheat, rice, sugar, pulse, any other	2
Wheat, rice, sugar, kerosene, pulse, etc.	1
NA	3

*Source:* Primary data

In Maharashtra, as suggested by the table above, 7 percent of the respondents reported relying on PDS shops for wheat, 18 percent said they bought wheat and rice regularly, 6 percent bought rice and kerosene, 8 percent wheat, rice and sugar, 20 percent wheat, rice and kerosene, 32 percent wheat, rice, sugar and kerosene, 3 percent wheat, rice, sugar and other items, 2 percent bought wheat, rice, sugar, pulses and other items, and 1 percent bought wheat, rice, sugar, kerosene, pulses and other commodities. While the respondents were not dissatisfied with the commodities being distributed by the shops, they were bothered by the fact that the shops were frequently closed..

**Table 73: Dependence of the respondents on the PDS shops in Karnataka**

Commodities	Percentage of respondents
Wheat, rice	11
Wheat, rice, sugar	2
Wheat, rice, kerosene	1
Wheat, rice, sugar, kerosene	85
NA	1

**Source:** Primary data

In Karnataka, 85 percent of respondents reported depending on PDS shops for buying wheat, rice, sugar and kerosene, 11 percent reported getting wheat and rice regularly, 2 percent got wheat, rice and sugar while only 1 percent depended on the shops for wheat, rice and kerosene. Availability was not a problem in PDS shops here; low purchasing power was what prevented people from buying the commodities. It should be noted that the villages visited by the investigators were in drought-prone areas. The inability of the government to provide relief had led to a number of farmer suicides in this region. It is thus important to not only lower the price of essential food commodities but also to provide support to the poorest families by giving the PDS items in instalments and extending the Food for Work and other such schemes. The provision of instalments was not being practised in the villages surveyed in Karnataka.

*Anganwadis* in Maharashtra had stocks of medicines meant for women, rawa and proto-vita. Respondents were satisfied with the services provided by anganwadi workers, though respondents in one village complained that the worker was selling off the proto-vita and other items. The survey revealed that the National Maternity Benefit Scheme was one of the most neglected of the food schemes. In Chhattisgarh, only 2 percent had benefited from the scheme, reportedly receiving Rs 390 on an average from the government. In the surveyed villages of Maharashtra, 26 percent of respondents said they had received an average of Rs 385 as the entitlement. The amount fixed by the government is Rs 500. In Karnataka, only one respondent had been informed by the anganwadi worker that she was eligible for the scheme, though she had not received any money.

#### **Box 14: Employment Guarantee Scheme: The experience of Maharashtra**

The Employment Guarantee Scheme (EGS) in Maharashtra came into force as an act in 1978. It aimed to give legal sanction and make provisions for an adult living in rural Maharashtra and willing to work but unable to get work near his/her village, to demand work from the government. The government is bound under this scheme to provide work within 15 days to anyone who has applied for it. If the concerned authority in a particular case is unable to provide work, then the labourer who has demanded work is entitled to an unemployment allowance.

The public works that would be undertaken under the scheme would build rural infrastructure and be productive assets that would further rural development, like irrigation schemes, roads, soil and water conservation measures. The scheme guarantees work and wages as per the Minimum Wage Act and also provides for basic facilities and amenities for the workforce at the work site. The scheme is applicable to all of rural Maharashtra: 33 districts and 322 blocks and 162 'C' category municipal towns.

The unique features of the scheme are:

- Self selection of the needy, no criteria for selection
- Dedicated funds
- No separate bureaucratic structure, no contractors
- It is an Act and therefore legally enforceable.

The funds for the scheme come from a special, dedicated fund through professional tax paid by the earning, mainly urban, population. This professional tax revenue is added to other similar taxes and this entire amount is matched by the state to constitute the EGS fund.

### Percentage of female person days generated

Division	1995-96	1996-97	1997-98	1998-99
Konkan	41.10	58.99	59.00	73.00
Nashik	26.85	59.00	59.00	73.00
Pune	35.80	59.00	59.00	73.00
Aurangabad	49.74	59.00	59.00	73.00
sAmravati	20.52	59.00	59.00	73.00
Nagpur	33.17	59.00	59.00	73.00
State	37.94	53.54	59.00	73.00

**Source:** 'Does EGS require restructuring for poverty alleviation and gender equality?' by M Krishnaraj, D Pandey, A Kanchi; EPW, April 24, 2004.

**Source:** Ashwini Kulkarni, VACHAN

The survey found 7 percent beneficiaries of the *annapoorna scheme* for elderly persons in Maharashtra. The average grain they received in the past month was 7.28 kg as against the government stipulated entitlement of 10 kg. The scheme was not applicable to the villages surveyed in Karnataka during the period of the study.

Assessment of the *antyodaya anna yojana* meant for the poorest of the poor households revealed that the average quantity of food grains received by the beneficiaries was below the government stipulated amount. In Chhattisgarh, 19 percent of beneficiaries were found to have received 29.47 kg of food grains per month. In Maharashtra, 25 percent of beneficiaries reported having received 22.92 kg of food grains per month. In Karnataka, our investigators found 24 percent beneficiaries who had got 33.45 kg of food grains. Many respondents in Karnataka expressed their displeasure at the way Antyodaya families had been identified. This was the case in Maharashtra too.

The study found the *food for work scheme* being implemented in all the three states. In Chhattisgarh, the 82 percent of beneficiaries reported having received 53.39 kg of food grains and Rs 73.58 on an average from the government. All of them said they had got the money after a long wait of one year. In Maharashtra, there were 19 percent beneficiaries who had reportedly received 10.57 kg of food grains and Rs 25.47 on an average. In Karnataka, 60 percent beneficiaries had reportedly been provided 5 kg of rice along with Rs 15 on an average per working day. It was clear from interactions

with the respondents that the Food for Work schemes helped them a lot, and all the respondents felt that such schemes should be continued. In Karnataka, the minimum wage for men was Rs 20, while for the same work, women got Rs 15.

#### **4.5.4 Acceptability of the schemes**

Acceptability of the schemes is not much of a problem for people who find it a struggle getting two meals a day. Acceptability encompasses a cultural element into it. In all three states, the food children get under the mid-day meal scheme is acceptable even if it is only rice. Parents do have some concerns about the way the food is cooked, but they do not see it as an entitlement.

The acceptability of the quality of food grains provided by the PDS and in the food for work programme is also not a problem. In Chhattisgarh, the respondents from village Prabhatola said that earlier the food they were getting under the food for work programme was spoiled, but since a new government came in after Chhattisgarh became a separate state, the quality of food in the PDS is much better. Respondents had more difficulties with the delay in the availability of grain in the PDS than its cultural acceptability.

#### **4.6 Conclusion and Recommendations**

This research clearly makes a link between right to food and right to employment. In India, lack of food is more related to the purchasing capacity of the people rather than to food production. Such concerns have also been expressed by both civil society organisations involved in the struggle for right to food and independent reports. The right to work is indeed the best protection against hunger and poverty. Access to gainful employment is also an important basis of participation in society.

Closely related to right to food is the issue of awareness of the schemes. In almost all the villages, there were no systematic and sincere attempt on the part of the concerned authority to inform people of the schemes and their rights. The schemes and the entitlements of the people are still seen as gifts from the government, which is a deliberate ploy by local politicians to get votes. Documents relating to food are not made available to the public or to the investigators. In all three states, there was a high degree of awareness about the two populist schemes – mid-day meal and targeted public distribution - but there was little awareness about the maternity benefit scheme (in Karnataka only 2 percent of respondents knew about the scheme and in Chhattisgarh only 18 percent of respondents). Whereas Antyodaya Awas Yojana and Food for Work are moderately well known to people, in Karnataka 43 percent and in Maharashtra 46 percent of respondents did not know about it. The Annapurna scheme is not applicable in Karnataka, and in Maharashtra 28 percent of respondents and in Chhattisgarh 25 percent of respondents knew about it. Not very surprisingly, 14 percent of families in Chhattisgarh didn't know that they were eligible for a ration card that would get them subsidised food.

What needs to be done is to develop an efficient mechanism within the existing structure that will be accountable for spreading information about the schemes and current entitlements. As has already been discussed, the mid-day meal scheme is a success largely because the responsibility is on the teachers.

The food security problem in India is currently a problem of accessibility, as a sizeable share of the population lacks economic and physical access to sufficient food. The distance of a PDS shop from the household is a major deterrent. For 90 percent of families in Chhattisgarh, 26 percent in Maharashtra and 45 percent in Karnataka, a PDS shop is more than 2 km from their homes. Tribal Baiga families in Chhattisgarh have to travel five or six kilometres. Anganwadis meant for children under the age of three and for nursing and pregnant mothers, are more than four kilometres away for 32 percent of families in Chhattisgarh and 6 percent of families in Karnataka.

An examination of food availability and accessibility reveals a fundamental contradiction in India's food policy. India's policymakers, operating through the food corporation of India, are pursuing conflicting objectives by attempting to provide low-priced food for consumers while increasing the support prices paid to farmers. It should be kept in mind that the domestic agricultural sector has a major influence on food availability. Imports currently play a small role in domestic food supply because of the government's orientation toward food self-sufficiency.

Food insecurity in India can best be described as chronic rather than acute, and manifests itself at least as much in poor nutritional balance as in calorific shortages. Food insecurity in India must also be seen in terms of its location— rural and urban. This study focuses on the rural poor who are primarily wage labourers and marginal farmers, ie, those with limited ownership of assets including land. Overall, SCs and STs constitute about 25 percent of the rural population but account for more than 42 percent of the poor.

The improvement and universalisation of anganwadi services, the adoption of a National Employment Guarantee Act and robust social security entitlements for destitute households can be secured through deliberate planned interventions. India is home to the largest number of hungry people in the world - 233 million. India has a long tradition of maintaining buffer stocks (reserves) of food, usually at public expense (UNDP 2003). It is maintaining food stocks since the 1970s, but it is critical that food stored should be affordable for poor households, whether through the public distribution system or release of grains into markets. That is something the Indian government has failed to do in recent years. The reason for it is more urban centric plans like PDS, which recede to the rural areas lately.

Much more is required to secure the right to food in the full sense of the term. Ultimately, the right to food needs to be linked with other economic and social rights, such as the right to education, the right to work, the right to information and the right to health. These economic and social rights complement and reinforce each other. Taken in isolation, each of them has its limitations, and may not even be realisable within the present structure of property rights. Taken together, however, they hold the promise of major changes in the balance of power in Indian society.

### **4.7 Civil Society Initiative on Right to Food**

Accountability in the authorities involved in government schemes and a sense of ownership among the beneficiaries is more important in ensuring food security to the people. The analysis of the State initiatives on food security in this chapter represents one part of the story. For a holistic understanding of the right to food discourse it is important to take note of the PIL filed by a civil

society group (PUCL) in Supreme Court in 2001, which really paved the way for enshrining the idea of right to food. This section briefly presents the PUCL initiative.

### ***Initiatives by Civil Society: The PUCL Case***

There is a strong right to food campaign going on at the national level that is being led by non-governmental organisations. It started with a writ petition submitted to the Supreme Court by the People's Union for Civil Liberties (PUCL) in April 2001. The petition linked right to food of the Indian citizen with right to life enshrined in the Indian constitution (PUCL Vs. Union of India and Others, Writ Petition [civil] No. 196 of 2001). Essentially the petition argued that the right to food is a fundamental right of all Indian citizens and demanded that the country's gigantic food stocks should be used without delay to prevent hunger and starvation. The petition highlighted two aspects of the state's negligence in ensuring food security: the breakdown of the PDS system and the inadequacy of relief programmes in drought affected areas. The petition on the whole demands judicial intervention in directing the government to:

- provide immediate open-ended employment in drought-affected villages
- provide gratuitous relief to persons unable to work
- raise the PDS entitlement per family
- provide subsidised food grain to all families
- provide supply of free food grain for these programmes

Through its various hearings held at regular intervals, the Supreme Court has passed interim orders directing the Indian government to work towards effective implementation of the existing policies relating to food. Most noteworthy among these is the order dated November 28, 2001 whereby directions were issued to implement eight food-related schemes fully as per the official guidelines. This, in effect, converted the benefits of these schemes to legal entitlements of the Indian citizens. The schemes included in this order were the Mid-day Meal Scheme (MDMS), Targeted Public Distribution Scheme (TPDS), Antyodaya Anna Yojana (AAY), Annapurna Scheme (AS), Integrated Child Development Scheme (ICDS), National Old Age Pension Scheme, National Family Benefit Scheme, and National Maternity Benefit Scheme (NMBS).

Converting the food schemes into legal entitlements has the following implications:

- The constitutional provisions as well as international agreements that speak of the duty of the Indian State to provide food to the citizens are, no more, mere instructions to the state government. They are no longer gifts from the state, but are to be treated as rights of the citizens, which if violated, could be challenged in the court of law.
- If freedom from hunger is a basic right of all the citizens, what follows from it is the duty of the State to have effective mechanisms for achieving a food secure India.

A range of activities has been initiated to make the Right to Food a 'political priority': public hearings, rallies, *dharnas*, *padyatras*, action-oriented research, media advocacy, lobbying of members of parliament, etc

Source: [www.righttofoodindia.org/](http://www.righttofoodindia.org/)



## 5. Conclusion and Recommendations

### 5.1 Introduction

Economic, social and cultural rights are ‘demandable’ rights as opposed to ‘positive’ civil and political rights. It means people can ask but never insist, because their demands can only be met if there are resources to match. The strained superiority conflict between Civil and Political Rights (CPR) and Economic, Social and Cultural Rights (ESCR) was on hold amidst the claims and counter claims of the cold war between Western and Eastern Europe. Moreover, the continuing and important struggle between these two-generation rights involves a political angle because addressing ESCR would mean addressing the enormous and growing inequalities at all levels of human society. This is why there is greater support for CPR from developed countries and for ESCR from developing countries.. The debate over what should come first -removing poverty and misery or guaranteeing political liberty and civil rights for which poor people have little use -was one of the main issues between first and third world countries in the Vienna Declaration of 1993.

The Paris Principles that talk of interdependency and indivisibility of human rights, overlaps the issue of priority between different generation of rights, and this applies to CPR and ESCR as well. CPR has little meaning when people live in poverty and degradation. Actions to promote ESCR -health, education, food security and social security measures are more important than mere claims of political freedom. Freedom from fear cannot be justified in isolation from freedom from want. On the other hand, civil and political freedom creates a society where economic, social and cultural rights of the people can be met easily. Instead of prioritising rights in isolation of each other, it is more important to look at how they complement each other.

In developing countries like India, the growing capability deprivation, which is due to the new economic reforms and structural adjustments, cannot be addressed by only securing civil and political freedom, but by addressing issues of socio-economic and cultural deprivation, and investment in the realisation of these rights. For the developing world, where deprivation is the key word in people’s lives, investment in securing socio-economic and cultural rights is investment in human capabilities.

How these rights can be assured by the states where the progressive realisation aspect of it is imperative. By creating a condition of human security -to protect people against chronic threats like hunger, disease and repression and to protect people against sudden and damaging changes in their daily lives, whether it is in the home, at the workplace or in the community. This pre-supposes security at different levels for all members of society-security from physical danger and threats, income security, security in education, housing security, health security and environmental security (Social Watch, 2004). However, it has been observed that the most deserving population is pushed to the periphery, and the rich and the affluent usurp all security levels. A denial of ESCR will always prove to be an obstacle in the achievement of CPR for scores of Dalits, Adivasis, Minorities, women and even children.

## 5.2 Highlights of the Study and Recommendations

This study was undertaken to analyse government initiatives and intervention for realisation of ESCR with reference to food security, elementary education and health care services. The study attempted to understand how much people were benefited from government initiatives pertaining to the promotion of ESCR. The study's outcome shows that the reluctance of State parties to accept responsibility for the fulfillment of ESCR is mainly due to a lack of political will and commitment, a paternalistic approach, the attitude of decision makers, lack of accountability in governance and, most importantly, absence of prioritisation in planning and budgetary allocation.

### *Right to Education*

The elementary education system in India is the second largest in the world. The major thrust of India's education policy at the primary level is on improving enrolment, retention, and achievements of children of the 6-14 years age group. The focus is on reducing gender disparity and disparities between different segments of the population (Sengupta, 2004). The central government scheme, *sarva shiksha abhiyan* (education for all), has seen an increased allocation of Rs 15.12 billion (USD 328 million) but has hardly achieved the stated goal of having all children below 14 years in school by December 2003 (Social Watch Report, 2004). Out of every 200 million children in the age group 6-14 years, only 120 million children are enrolled (*ibid*). Inadequate budget allocation, dismal school infrastructure in rural areas, high dropout rates, caste-bias, gender bias, etc have become the hallmark of the Indian education system.

This study shows that the number of girls who have never gone to school is more than the number of boys in all categories (SCs, STs and OBCs). The dropout rate among boys and girls, too, presents a dismal picture. Retention schemes to keep children in school at primary level were not helpful because more than the existence of schemes, it is their applicability that must be focused on. The distribution of free books and uniforms to the children doesn't happen to the extent required. The focus in case of the mid-day meal scheme needs to be changed from merely increasing the school attendance levels of children, to fulfilling the nutritional requirements of the children. It therefore should be extended to students studying in higher classes too. Here the suggestions given in the report of the Commissioner to the Supreme Court also assumes importance (Third Report of the Commissioner to the Supreme Court in the PUCL vs GOI and Others, submitted on May 1, 2003):

*“The potential for using mid-day meals as a means of protecting children from under-nutrition is vastly under-utilised. Earlier experience shows that substantial results can be obtained, at relatively low cost, by combining nutritious mid-day meals with supplementary health and nutrition services such as de-worming, health check-ups, vitamin supplementation, etc. There is also a strong case for the continued provision of cooked mid-day meals during the school vacations, especially in drought-affected areas where the school meal is often the square meal in the day for deprived children.”*

The curriculum for Scheduled Tribes should be designed to take their cultural and living conditions into account and not that of the urban middle class. It seems that the total literacy campaign has lost its momentum and has become merely a bureaucratic programme and not a means of empowerment. This is obvious from the fact that literacy among ST adults in all three states surveyed is very low and is the lowest (at only 8 percent) in Chhattisgarh. The availability of schools, too, is inadequate: there is still a ratio of 1:5 for higher primary and primary schools in all three states.

- School infrastructure needs improvement. Sufficient number of classrooms to accommodate all children, drinking water on the school premises, toilet facilities and playgrounds need to be provided within the school premises.
- Student-teacher ratio needs to be improved as it was observed that in all three states one teacher handled two to three classes.
- Alternative teaching methods need to be explored. The teaching methods used often don't conform to the values and ethos of students living in different cultural environments.
- Girls dropout of school often due to the distance of the school from the home. Therefore ways must be found to make schools more physically accessible. Incentives and motivation should not be looked at in terms of providing scholarships only, but should also look at accessibility of schools, especially for girls.
- The mid-day meal programme needs to be improved, as it does not adequately address the nutritional needs of the children, particularly in Chhattisgarh. The scheme has been used politically to fill nutritional gaps in rural children.
- The importance of school education is still not recognised adequately, and such awareness is mandatory for securing the right to education of all children. Making the right to education a fundamental right does not fulfil the dream of compulsory education till 14 years of age. but programmes should be put in place to facilitate that. And state governments should be held accountable for failure on this front.

### ***Right to Health***

The Indian health system is one of the most privatised health systems in the world. Of the aggregate expenditure on health, 83 percent is allocated to private spending, while 43 percent of the poor depend on public sector hospitals for care (Social Watch Report, 2004). Privatisation and deregulation of the health system have resulted in rising medication and drug prices. The National Health Policy of 2002 is loud in favoring privatisation of health services. How is this privatisation of basic health services going to benefit the deprived? For instance, in case of safe deliveries in all three states, 72-93 percent were home deliveries, and of these, most were attended by untrained dais. Even the registration of pregnancy was found to be very poor in Karnataka and Chhattisgarh. All this in spite of the fact that the ICDS is in place to keep a check on the health status of pregnant and lactating mothers, including that of children under the age of three years, and also having provisions for a PHC, SC and CHC to provide RCH services.

A critical factor in the access of people to health care services is the lack of medical and paramedic staff in government health centres. The government does its bit by appointing medical professionals in government health centres but the rampant absenteeism and non-professional attitude of the

medical staff goes largely unchecked. The study shows that the majority of respondent families in all three states were reluctant to visit government hospitals, yet the option of going to a private medical practitioner was too expensive. The government regulation on private practitioners and their social responsibility needs to be questioned. Promoting privatisation of basic health services is not the answer to promoting health care because it does not take into account economic inequalities among the population.

The introduction of the user fee was supposed to increase the efficiency of the health services and was regarded as a 'partial support programme' advocated in the health policies of 1983 and 2002. But nowhere does this seem to be helping the poor gain better access to better health services. From the study it can be seen that a user fee deters access to government health services. Also, the rejuvenation of traditional healing systems should be part of the policy document and should be used as a support system for modern medicine.

The health condition of scheduled tribes is perilous when compared to others. A separate tribal development planning cell has been functioning under the Ministry of Health and Family Welfare since 1981 to co-ordinate the policy, planning, monitoring and evaluation of health care schemes for the welfare and development of scheduled tribes (Tenth five-year plan). Government health centres do not reach out to areas where tribal habitations exist. Mobile health check-ups of tribals as proposed in government plans and schemes like the RCH, and health and nutrition programmes under the minimum need programme do not seem to be reaching the beneficiaries. None of the three states covered by the study had the mobile health check up facility.

- Systems must be put in place to provide health care even to the most remote regions where there are tribal habitations. Health care should not be looked upon merely as a programme that delivers immunisation, but requires a more comprehensive approach. State governments should design health programmes after assessing prevalent health problems of specific regions.
- States need to improve the quality of health infrastructure, particularly the training of paramedical staff, and the number of hospitals and primary health centres. More personnel are required in every health centre to ensure that people get care whenever they need it. Denying anyone access to health care in his or her time of need should be taken as gross violation of human rights and the state should take responsibility for it.
- Focused and intensive training of ANM's, dais and anganwadi workers in hygienic deliveries, newborn care and the management of infections is a must. Follow up visits by health visitors also need to be addressed.
- Programmes focusing on improving the awareness on post and prenatal care, the use of services of trained dais, uses of safe drinking water need to be intensified.
- The traditional healing system needs to be put in the policy document and should be used as a support system to modern medicine.
- The aim of the user fee needs to be implemented with the focus on facilitating efficiency and not impeding access to health care. If the practice of the user fee is adopted, appropriations under it should be made accountable and open to public scrutiny. The user fee should not hinder accessibility to health care for the poor.

- The quality and quantity of the mushrooming private health sector must be regulated and its social responsibility of catering to the needs of the poor must be defined. The private health sector should be accountable to the public and there should be strict rules and regulations if it does not fulfil its public responsibility.

### *Right to Food*

The results of the field survey gives the impression that while some of the schemes, such as the mid-day meal scheme, are doing quite well, a change of approach is required. What is more important than just making the food schemes work is to bring about accountability in the authorities involved and a sense of ownership among the beneficiaries.

The focus should not be on feeding the poor, but on enabling them to feed themselves with dignity. This could, most probably, be done through self-help groups and agricultural cooperatives. People must be made aware that accessibility and availability of food is a right of all citizens. This would mean a change in the attitude of all those involved in the distribution of food and related commodities.

The need today is certainly not having more food related schemes, but a concerted effort to implement the already existing schemes to achieve what they are expected to. The need becomes urgent in the face of globalisation, privatisation and liberalisation. To improve nutrition, the focus could be more on providing nutritious cereals such as millet, bajra and jowar, instead of wheat and rice, under nutrition schemes. The distribution of food grains also needs scrutiny; it is not only about safeguarding food godowns and spending on their maintenance. More than genetically improved cash crops for export purposes, it is the proper distribution and affordable price mechanisms that need to be the focus of policy makers.

Decentralisation of the distribution network is also important. Having local food banks and arming panchayati raj institutions with legal, financial, technological and managerial resources could enhance the distributional aspect of food security.

- An efficient mechanism for spreading information about the schemes and current entitlements is needed. There is nothing to celebrate in India being self sufficient in food when malnutrition and chronic hunger are prevalent among large sections of the poor.
- Chronically undernourished people, those suffering from hidden hunger, and those who are food insecure due to recurrent disasters, need to be specifically identified and targeted for interventions.
- Proper identification of BPL families needs to be undertaken and the process needs to be made transparent and accountable to eliminate discrimination in identification and distribution of cards.
- The right to work is the best protection against hunger and poverty and in order to secure the right to food, right to gainful employment needs to be addressed simultaneously.

- The improvement and universalisation of anganwadi services, robust social security entitlements for destitute households, assured employment are needed through deliberate planned interventions. Ultimately, the right to food needs to be linked with other economic and social rights, such as the right to education, the right to work, the right to information and the right to health.

### 5.3 Summing Up

The state's responsibility to protect, promote and fulfil economic, social and cultural rights is based on the assumption that the State, through its taxing authority, has far greater resources than do individuals, and that through these resources the state has the ability to ensure that all those living within its ambit enjoy a certain level of social and economic security. The economic, political and social context within which human rights have been historically recognised has been undergoing enormous changes in the past decades. These changes, in turn, have had and will have profound implications for efforts to promote ESC Rights.

A pro-people policy approach requires government functionaries to be committed to the socio-economic uplift of the population whom they represent, and to whom they are accountable. Merely chalking out strategies for promotion of the most basic of ESCRs is not enough. Society and governments at all levels should learn from the past by systematically evaluating and disseminating information about what works and what does not. Only then can sectoral reforms be scaled up to improve the lives of millions of poor in India. The challenge is formidable, as making health, food and education rights accessible to all involves changes not only in public sector institutions but also societal attitudes. Therefore, the priorities are:

1. Integration of rights perspective and approach to plans, policies, programmes and processes
2. Strengthening of civil society interventions to promote and ensure ESCR
3. Public awareness and education on ESCR so that people demand their rights.




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**PART NINETEEN**  
**ANNEXURE**

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<b>UNITED NATIONS</b>		<b>E</b>
	<b>Economic and Social Council</b>	Distr. GENERAL  E/C.12/IND/CO/5 ... May 2008  Original: ENGLISH

COMMITTEE ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Fortieth session

28 April - 16 May 2008

CONSIDERATION OF REPORTS SUBMITTED BY STATES PARTIES UNDER  
ARTICLES 16 AND 17 OF THE COVENANT

## Concluding Observations of the committee on Economic, Social and Cultural Rights

### India

1. The committee on economic, social and cultural rights considered the second to the fifth periodic report of India on the implementation of the International Covenant on Economic, Social and Cultural Rights (E/C.12/IND/5) at its 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> meetings (E/C.12/2008/SR.14-16), held on 7 and 8 May 2008, and adopted, at its 25th meeting, held on 16 May 2008, the following concluding observations.

#### A. Introduction

2. The committee welcomes the submission of the combined second to fifth periodic report of the state party, despite the 15-year delay in its submission. The committee notes that the report was generally prepared in conformity with the committee's guidelines, but regrets that no information was provided on articles 1 to 5 of the covenant. The committee also regrets that some of its questions posed to the State party in its list of issues (E/C.12/Q/IND/5) have remained unanswered.
3. The committee appreciates the opportunity afforded to hold a dialogue with representatives of the state party and the answers to the questions raised by the committee. The committee regrets

however, that the information provided was in some cases not sufficiently detailed to advance the committee's assessment of the level of enjoyment of the rights provided for in the covenant in the state party.

### **B. Positive aspects**

4. The committee notes with satisfaction the legislative and other measures adopted by the State party to promote the enjoyment of economic, social and cultural rights, in particular:
  - The 2006 Prohibition of Child Marriage Act;
  - The 2005 National Rural Employment Guarantee Act recognising employment as a matter of right;
  - The 2005 Protection of Women from Domestic Violence Act;
  - The “*Sarva Shiksha Abhiyan*” (Education for All) programme adopted in 2005;
  - The “National Rural Health Mission”, launched in 2005, aimed to provide accessible, affordable and accountable quality health services;
  - The 4-year time-bound plan, “*Bharat Nirman*” aimed to upgrade the rural infrastructures, launched in 2005;
  - The 2005 Right to Information Act, aimed to ensure accountability of the government;
  - The 2004 amendments to the Indian Divorce Act and the Hindu Succession Act widening the scope for women to exercise their rights to divorce, ownership and inheritance;
  - The 2003 amendment to the Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994;
  - The 2002 Constitution (86<sup>th</sup> Amendment) Act, making education free and compulsory for all children aged 6 to 14; and
  - The 2000 Juvenile Justice (Care and Protection of Children) Act, as amended by the 2006 Juvenile Justice (Care and Protection of Children) Amendment Act.
5. The committee welcomes the ratification, by the State party, of:
  - The Convention on the Rights of Persons with Disabilities, in 2007;
  - The Optional Protocols to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography and on the involvement of children in armed conflict, in 2005; and
  - The ILO Convention No.105 on Abolition of Forced Labour, in 2000.
6. The committee notes with appreciation the important contribution made by the Supreme Court of the State party to the development of international jurisprudence in favour of the justiciability of economic, social and cultural rights, through its proactive interpretations of the Constitution.

### **C. Factors and difficulties impeding the implementation of the Covenant**

7. The committee notes the absence of any factors and difficulties impeding the implementation of the covenant by the state party.

#### D. Principal subjects of concern

8. The committee notes with regret the position of the state party with regard to its legal obligations arising under the covenant, specifically, that the realisation of the rights it contains are entirely progressive in nature.
9. The committee is concerned that, despite the significant role played by the Supreme Court of India in interpreting the constitution with a view to achieving justiciability of economic, social and cultural rights, the covenant is not given its full effect in the legal system of the state party due to the absence of relevant domestic legislation. The committee is also concerned by the non-implementation of court decisions by state authorities.
10. The committee is concerned about the absence of effective mechanisms to coordinate and ensure, at both the federal and state levels, administrative and policy measures relating to economic, social and cultural rights, which constitutes a major impediment to the equal and effective implementation of the covenant in the state party.
11. The committee notes with concern that the National Human Rights Commission (NHRC) and the State Human Rights Commissions (SHRC) are not supported by adequate financial and other resources. The committee is also concerned that the establishment of Human Rights Courts at the district level as envisaged by the 1993 Human Rights Act has not been implemented in most parts of the country, and that the mandate of the human rights courts does not cover violations of economic, social and cultural rights.
12. The committee is deeply concerned about reports that human rights defenders, including those assisting individuals and communities in asserting their economic, social and cultural rights, are threatened, harassed and subjected to violence by state officials and law enforcement officers. In this connection, the committee notes with concern the existence of national security legislation which grants impunity to state officials who violate human rights, including economic, social and cultural rights.
13. The committee is deeply concerned that in spite of the constitutional guarantee of non-discrimination as well as the criminal law provisions punishing acts of discrimination, widespread and often socially accepted discrimination, harassment and/or violence persist against members of certain disadvantaged and marginalised groups, including women, scheduled castes and scheduled tribes, indigenous peoples, the urban poor, informal sector workers, internally displaced persons, religious minorities such as the Muslim population, persons with disabilities and persons living with HIV/AIDS. The committee is also concerned about the obstacles faced by the victims in accessing justice, including the high costs of litigation, the long-delays in court proceedings and the non-implementation of court decisions by government authorities.
14. The committee notes with concern the lack of progress achieved by the State party in combating the persistent *de facto* caste-based discrimination that continues to prevail in spite of the legal prohibitions in place, most notably the 1989 Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act. The committee is particularly concerned by the low rate of prosecution of crimes against persons belonging to scheduled castes and scheduled tribes, and that discriminatory attitudes and prejudices in the enforcement of the law, especially by the police, is a serious obstacle in the victims' access to justice.

15. The committee notes with concern that the recommendations of the 2006 Rajinder Sachar committee report on social, economic and educational status of the Muslim community of India have not been sufficiently followed-up, and regrets the lack of actions taken by the federal and state union governments in this regard.
16. The committee is deeply concerned that, in spite of the commendable efforts by the State party in promoting equality of men and women, such as the adoption of the National Policy on the Empowerment of Women (2001) and the adoption of the amendments to the Hindu Succession Act and the Indian Divorce Act in 2005 and 2001 respectively, widespread gender inequalities, cultural stereotypes and personal laws of minority groups continue to prevail, affecting negatively the equal enjoyment of economic, social and cultural rights by women. The committee notes with concern in particular that all the statistical data available before the committee indicate the disadvantages disproportionately suffered by women in their enjoyment of economic, social and cultural rights, in particular, those belonging to disadvantaged and marginalised groups.
17. The committee is concerned about the weak enforcement of the Pre-conception and Prenatal Diagnostic Technique (Prohibition of Sex Selection) Act, as amended in 2003, which has resulted in the high rate of abortion of the girl foetus and a skewed sex ratio which continues to worsen.
18. The committee notes with concern the disproportionate representation of women in the informal labour market and the significant gender disparities in wages. The committee also notes with concern the low representation of women in decision-making.
19. The committee notes with concern, despite the legal prohibitions in place, including the 1993 Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, the 1976 Bonded Labour System (Abolition) Act and the 1986 Child Labour (Prohibition and Regulation) Act, the prevalence of bonded labour, the worst forms of child labour and other exploitative labour conditions in the state party. The committee is concerned about the insufficient enforcement of existing labour legislation at the federal and the state levels, as well as the lack of awareness among employers on the existing rules and standards.
20. The committee notes with concern that the rapid and sustained economic growth in the state party has not been translated into employment growth that is sufficiently substantial to ensure compliance with the core obligations under Article 6 of the covenant, as highlighted in the committee's general comment No.18 on the right to work (2005).
21. The committee is concerned that, in spite of the enactment of the National and Rural Employment Guarantee Act in 2006, the high and increasing rate of unemployment and underemployment persists in the State party, particularly in the rural areas.
22. The committee notes with concern the weak enforcement of the existing state minimum wages. The committee is also concerned that the low levels of wages, particularly in the agricultural sector, are insufficient to provide a decent standard of living for workers and their families.
23. The committee is concerned about the numerous requirements of the state party with respect to trade unions, particularly those in the informal sector, in obtaining collective bargaining li-

cences such as the minimum membership requirement for a union of 100 workers or 10 percent of the workforce under the 1926 Trade Unions Act, and a complete ban on strikes under the Essential Services Maintenance Act which does not prescribe an official list of the essential services that falls under its purview. The committee also notes with concern that, pursuant to the 1964 Central Civil Services (Conduct) Rule, civil servants' right to join trade unions and to strike is severely restricted.

24. The committee is concerned that, pending the adoption by the Parliament of the unorganised sector worker's social security bill, workers in the state party, a majority of whom are employed in the unorganised/informal sector, does not currently benefit from state-administered social security protection.
25. The committee is deeply concerned about the lack of progress achieved by the state party in eliminating traditional practices and provisions of personal status laws that are harmful and discriminatory to women and girls, including *sati*, *devadasi*, witch-hunting, child marriages, dowry deaths and honour killings, in spite of the legal prohibitions such as the 2005 Domestic Violence Act, the 1961 Dowry Prohibition Act, the 1982 Prohibition of Dedication Act, the 1939 Child Marriage Restraint Act and the 2006 Prohibition of Child Marriage Act.
26. The committee is concerned about the exceptionally high incidence of domestic violence against women and children in the State party, as well as the high proportion of children who are subjected to sexual abuse at home, in spite of the enactment of the Protection of Women from Domestic Violence Act of 2005. In this regard, the committee deeply regrets the lax enforcement of the existing legislation for the protection of victims of domestic violence and the low rate of prosecution for such crimes under Section 498-A of the Indian Penal Code.
27. The committee notes with concern that trafficking in persons remains a serious problem faced by the state party. The committee is particularly concerned that women and children belonging to scheduled castes and scheduled tribes make up a large proportion of victims of trafficking and sexual exploitation. The committee is also concerned that victims of trafficking and sexual exploitation, rather than being afforded protection and rehabilitation, are prosecuted under the Immoral Trafficking Prevention Act (ITPA), and that there is no legislation that specifically criminalises trafficking in persons.
28. The committee is deeply concerned that, despite the rapid economic growth achieved under the Ninth Plan (1997-2002) and the Tenth Plan (2002-07), high levels of poverty as well as serious food insecurity and shortages persist in the country, disproportionately affecting the population living in the poorer states and in rural areas, and the disadvantaged and marginalised groups. The committee is also concerned that the State party, in its pursuit of economic growth, and in its definition of the poverty threshold exclusively in terms of consumption, has overlooked its obligations to fully integrate human rights, particularly economic, social and cultural rights, in its poverty-reduction strategies. The committee is also concerned by reports of corruption, inefficiency and discrimination in distribution that hamper access to food, particularly by the disadvantaged and marginalised groups of society who have been excluded from the benefits of the state party's economic growth.

29. The committee is deeply concerned that the extreme hardship being experienced by farmers has led to an increasing incidence of suicides by farmers over the past decade. The committee is particularly concerned that the extreme poverty among small-hold farmers caused by the lack of land, access to credit and adequate rural infrastructures, has been exacerbated by the introduction of genetically modified seeds by multinational corporations and the ensuing escalation of prices of seeds, fertilisers and pesticides, particularly in the cotton industry.
30. The committee is concerned about the lack of a national housing policy which particularly addresses the needs of the disadvantaged and marginalised individuals and groups, including those living in slums who are reportedly growing in numbers, by providing them with low-cost housing units. The committee also regrets that sufficient information was not provided by the State party on the extent and causes of homelessness in the state party. The committee is also concerned that while housing is under the responsibility of the state government, the oversight exercised by the federal government is insufficient to ensure effective implementation of the existing strategies and policies to ensure the right to housing for all.
31. The committee, while noting that the draft Resettlement and Rehabilitation Bill is currently before parliament, remains deeply concerned about the reports of displacement and forced evictions in the context of land acquisition by private and state actors for the purposes of development projects, including constructions of dams and mining, and that the members of disadvantaged and marginalised groups, in particular, the scheduled castes and scheduled tribes, are adversely affected by such displacement from their homes, lands and their sources of livelihood. The committee is also concerned that urban renewal projects, sporting events, infrastructure expansion, environmental projects and more recently, the designation of large areas as tax-free special economic zones, have resulted in the displacement of millions of families, most of who have not received adequate compensation and rehabilitation. Furthermore, the committee is concerned about the lack of effective consultations and legal redress for persons affected by displacement and by forced evictions, and the inadequate measures to provide sufficient compensation or alternative housing to those who have been removed from their homes and/or their ancestral lands.
32. The committee is concerned about the reported delays and inadequacies of the post-tsunami rehabilitation process in the affected districts of Tamil Nadu. The committee notes with concern that, according to the public accounts committee in its 2007-08 report, large amounts of tsunami funds have been diverted from rehabilitation. The committee regrets that the state party has not provided adequate information on the post-tsunami situation.
33. The committee is concerned that, despite the economic growth achieved by the state party, health-care expenditures remain exceptionally low at around 1 percent of GDP, and that a significant proportion of the population continues to have limited or no access to basic health services, resulting in alarmingly high rates of maternal and infant mortality, as well as high incidences of tuberculosis and other communicable diseases. The committee is also concerned by the rising HIV/AIDS infections, and the lack of reliable information available regarding persons affected by mental health illnesses.
34. The committee is concerned about the shortage of access to safe drinking water and the presence of heavy metals in ground water.

35. The committee is concerned about the overcrowding and sub-standard conditions in prisons which are operating at 200-300 percent of their maximum capacity, which have given rise to a disproportionately high rate of tuberculosis and other health problems affecting the prisoners.
36. The committee is concerned that survivors of the 1984 gas leak from the Union Carbide India Limited pesticide plant in Bhopal are continuing to suffer serious long-term health effects of the gas exposure, and that the state efforts to provide rehabilitation and monetary compensation have largely been inadequate.
37. The committee is concerned that the prevailing widespread phenomenon of early marriages, the high rate of maternal mortality and the rapid spread of HIV/AIDS and other sexually transmitted diseases in the state party, can be attributed largely to the lack of sex and reproductive education that is still viewed to be taboo in the State party.
38. The committee notes with concern that the universal healthcare scheme in the state party falls short of providing for universal coverage, excluding a considerable portion of the population. The committee is also concerned that the quality and the availability of the health services provided under the scheme have been adversely affected by the large-scale privatisation of the health service in the state party, impacting in particular on the poorest sections of the population.
39. The committee is concerned that trade in human organs, particularly in kidneys, is prevalent in the state party and that it is on the increase.
40. The committee is concerned that, despite the efforts made by the State party to achieve universal primary education, including the adoption of the Constitution (86<sup>th</sup> Amendment) Act in 2002 which makes the right to primary education a fundamental right, and the “*Sarva Shiksha Abhiyan*” (Education for All) programme, aimed at achieving 100 percent primary enrolment, the wide disparity in enrolment and drop out rates in primary schools continue to persist, negatively affecting, in particular, girls, Muslim children and children belonging to scheduled castes and scheduled tribes.
41. The committee notes with concern the generally low quality of education in, and the under-funding of, public schools.
42. The committee is concerned that adult illiteracy rates continue to remain high, especially among disadvantaged and marginalised groups, women and among those living in poverty.
43. The committee notes with regret the absence of human rights education in the school curricula in the State party.
44. The committee notes with concern that some of the development measures and projects that have been carried out have not sufficiently into account the way of life and specific forms of livelihood of numerous communities in India, in particular the scheduled tribes in the northeast, thus affecting their right of everyone to take part in cultural life.

## **E. Suggestions and Recommendations**

45. The committee is of the view that the State party has within its power the ability to immediately implement the rights in part II of the covenant as required, and to meet, at the least, its core obligations for the progressive realisation of the rights in part III of the covenant. The committee



therefore urges the state party to review its position regarding its legal obligations arising under the covenant in light of the committee's statement on the evaluation of the obligation to take steps to the maximum of its available resources under an Optional Protocol to the Covenant (E/C.12/2007/1), and its general comments No. 13 (1999) and No. 14 (2000) in relation to core obligations. The committee also encourages the State party to ensure that the provisions of the covenant are taken into consideration in legislative and administrative policy and decision-making processes.

46. The committee recommends the state party to review all aspects of its negotiations with trade agreements, including those with the EU and the EFTA, in light of its obligations under the covenant to ensure that economic, social and cultural rights, particularly of the most disadvantaged and marginalised groups, are not undermined.
47. The committee recommends that the State party take necessary legal measures to give full effect to the covenant in domestic law, and to provide the committee in its next periodic report, with further clarification regarding the direct applicability of the covenant by domestic courts and citing relevant case law. In this respect, the committee draws the attention of the State party to its general comment No. 9 on the domestic application of the covenant (1998). Furthermore, the committee urges the state party to ensure that judicial training take full account of the justiciability of covenant rights and that all court decisions are fully implemented by the relevant authorities without delay. The committee also recommends the state party to take effective measures to increase awareness of the rights enshrined in the ICESCR among the public at large.
48. The committee recommends the state party to ensure that the complexities arising from the federal structure of government and the delineation of responsibilities between federal and state levels do not result in the lack of effective implementation of the covenant in the state party.
49. The committee recommends that the state party increase its efforts to enhance the effectiveness of the National Human Rights Commission and the State Human Rights Commissions, in particular through adequate budget allocations. The Paris Principles as well as General Assembly Resolution 48/134 relating to the status of national institutions for the promotion and protection of human rights, should be taken into consideration in matters relating to the reform of the NHRC and the establishment of state commissions. The committee further recommends the state party to ensure that State and Union Territories establish their respective human rights commissions and human rights courts, and enable the latter to consider violations of economic, social and cultural rights.
50. The committee urges the state party to take all necessary measures for the protection of human rights defenders against any violence, threats, retaliation, pressure or any arbitrary action as a consequence of their activities. The committee recommends that the State party improve its human rights training for law enforcement officials especially police officers, and ensure that all allegations of human rights violations are promptly and thoroughly investigated by an independent body capable of prosecuting perpetrators. The committee also recommends the State party to consider repealing the Armed Forces Special Powers Act.

51. The committee requests the state party in its next periodic report to submit updated annually collected comparative data disaggregated by sex, age, caste, ethnicity, religion and by region, regarding all the provisions in the covenant, paying particular attention to the disadvantaged and marginalised individuals and groups. The committee also requests the state party in its next periodic report to include annual comparative data, disaggregated by sex, age, caste, ethnicity, religion and by region, the percentage of the gross domestic product allotted for education, health and housing programmes in the country.
52. The committee recommends that the state party strengthen enforcement of existing legal prohibitions of discrimination and, in addition consider enacting comprehensive administrative, civil and/or criminal anti-discrimination legislation guaranteeing the right to equal treatment and protection against discrimination, specifically prohibiting discrimination in employment, social security, housing, healthcare and education on the grounds of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, as stipulated in article 2.2 of the covenant. The committee also urges the state party to step up efforts to remove obstacles faced by victims of discrimination when seeking redress through the courts.
53. The committee stresses the need for a determined enforcement of the criminal justice system, and recommends that the state party strengthen procedures for prompt and impartial investigations and effective prosecutions of all allegations of violations under the 1989 Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act. The committee also recommends that the State party improve awareness-raising and training programmes regarding the treatment of caste-based and other crimes related to discriminatory attitudes and prejudices, for professionals engaged in the administration of justice including judges, public prosecutors, lawyers and law enforcement officials, in particular members of the police, and remove any other existing obstacles faced by victims in accessing justice. The committee further encourages the State party to expand throughout the state, preventive programmes to curb violence against persons belonging to scheduled castes and scheduled tribes, especially women.
54. The committee recommends the state party to ensure full implementation of the recommendations contained in the Sachar committee report without further delay, with a view to ensuring the realisation of the economic, social and cultural rights of Muslims in the state party, in particular, Muslim Other Backward Classes (OBCs) and Muslim women.
55. The committee recommends that the state party further strengthen efforts to raise public awareness about gender equality, including by providing adequate support to the national commission for women and the state commissions for women.
56. The committee recommends the State party to sensitise and train medical professionals on the criminal nature of sex selection with a view to ensuring stringent enforcement of the Pre-conception and Prenatal Diagnostic Technique (Prohibition of Sex Selection) Act.
57. The committee recommends the state party to undertake and enforce effectively measures to ensure equal treatment between men and women in the labour market, and to consider enacting legislation on equal pay for work of equal value in both the public and the private sectors, and

for such legislation to be adopted at the state level. The committee also recommends the state party to continue to make use of affirmative action measures to promote active political participation of women.

58. The committee requests the state party to include in its next periodic report, in addition to the requests already mentioned in previous paragraphs, a specific section on:
- a) the results of the measures taken to combat discrimination of all forms;
  - b) the situation of women and the extent to which they enjoy the right to own land and property independent of their male relatives;
  - c) the impact of the micro-credit programme for women, the progress achieved and the difficulties encountered;
  - d) detailed information regarding street children; and
  - e) annual data, disaggregated by age, sex, caste, ethnicity and religion, as well as specific benchmarks, to enable adequate monitoring and evaluation of the progress achieved.
59. The committee recommends that the State party ensure the right to decent work and provide sufficient resources to the labour inspectorate to enable regular and independent inspections of health and safety conditions in all sectors. In this regard, the State party should take effective measures to ensure that violations concerning prohibited labour practices, such as bonded labour, manual scavenging and the worst forms of child labour are stringently prosecuted and employers duly sanctioned. The committee recommends the State party to launch a national campaign to abolish manual scavenging and other degrading forms of work and to provide information on the results achieved in its next periodic report. The committee further recommends that measures to rehabilitate affected children, to monitor their work conditions and their living conditions following removal from such work, be strengthened and significantly expanded to cover all children engaged in the worst forms of child labour. The committee also recommends that the State party consider ratifying the following ILO Conventions: **No. 182 on the Worst Forms of Child Labour; No. 138 on Minimum Age; No. 174 on Prevention of Major Industrial Accidents.**
60. The committee recommends that the State party provide, in its next periodic report, information on the measures taken within the framework of the 10<sup>th</sup> and the 11<sup>th</sup> Plans to achieve an adequate rate of employment growth in order to ensure the fullest possible enjoyment of the rights under Article 6 of the Covenant. The committee further recommends that the State party provide the necessary conditions to encourage private sector employers to create additional jobs in the process of economic growth.
61. The committee recommends that the State party reinforce its programmes designed to reduce unemployment and in this regard, to target on a priority basis the most affected groups and regions. In this connection, the committee recommends that the State party consider ratifying the ILO Convention No. 2 on unemployment. The committee further recommends the State party to take necessary measures to ensure effectively the full implementation of the provisions foreseen under the National Rural Employment Guarantee Act.

62. The committee encourages the State party to ensure that the state minimum wages are fully enforced throughout its territory, and in all sectors, with a view to enabling all workers and their families to enjoy an adequate standard of living. The committee also encourages the State party to establish an effective system of indexation and regular adjustment of the minimum wage to the cost of living.
63. The committee recommends that the State party remove, in law and practice, obstacles to trade unions' rights to conduct collective bargaining, and to pay particular attention to the workers' rights in Special Economic Zones (SEZs) and Export Processing Zones (EPZs). In particular, the committee recommends that the State party consider amending the 1964 Central Civil Services (Conduct) Rule with a view to lifting the restrictions imposed on civil servants' right to join trade unions and on their right to strike, and to clearly define essential services as stipulated by the Essential Services Maintenance Act. The committee recommends the State party to consider ratifying the ILO Convention No. 98 on the Right to Organise and Collective Bargaining.
64. The committee recommends that the State party adopt the Unorganised Sector Workers Social Security Bill without delay, and ensure, in line with the committee's general recommendation No.19 on the right to social security (2007), that the very large sections of the population which are still not adequately covered by the social security system of the State party become entitled to social security benefits which provide for the minimum standards in respect of, *inter alia*, health, maternity benefit, old age benefit, labour accident insurance and dependants benefit. The committee recommends that the State party consider ratifying the ILO Convention No.102 on **Social Security** (Minimum Standards), and requests that it provide detailed information in its next periodic report on the extent of the coverage of its social security system for the unorganised/informal sector.
65. The committee strongly recommends that the State party strictly enforce the law prohibiting harmful and discriminatory practices that violate the rights of women and girls, and to undertake effective public education measures, including awareness-raising programmes designed to eliminate gender-based prejudices, traditional practices and provisions of personal status laws that are harmful and discriminatory to women and girls. The committee requests that the State party provide detailed information in its next periodic report on the extent of these practices and the measures being taken to strictly enforce its laws for the protection of women and girls from such harmful practices.
66. The committee recommends that the State party enact a law that criminalises trafficking in persons and commercial sexual exploitation of women and children. The committee also recommends that the State party, while strengthening its efforts to bring perpetrators to justice, ensure that victims are not penalised and are systematically provided with rehabilitation and legal assistance. The committee further recommends that the State party strengthen preventive measures, such as awareness-raising campaigns, that target economically-depressed areas as well as disadvantaged and marginalised groups.
67. The committee recommends that the State party ensure that the Protection of Women from Domestic Violence Act and Section 498-A of the Indian Penal Code are enforced effectively in all of its states and union territories, and that law enforcement officials, judges, lawyers, social

workers and medical professionals are duly trained on the serious and criminal nature of domestic violence. The committee requests that the state party provide in its next periodic report, detailed information on the extent of domestic violence, and on the legislative and other measures taken to address this phenomenon, including facilities and remedies provided for victims.

68. The committee recommends that the State party, in the context of the 11th Plan (2007-12), take urgent measures to address the issue of poverty and food insecurity. In this regard, the committee recommends the State party to review its national poverty threshold, taking into account its statement on poverty and the international covenant on economic, social and cultural rights, adopted on 4 May 2001 (E/2002/22-E/C.12/2001/17, annex VII) and establish specific mechanisms to monitor the implementation of poverty-reduction strategies and evaluate the progress achieved. The committee requests the State party to provide, in its next periodic report, detailed annual data on the incidence and depth of poverty, disaggregated by gender, caste, ethnicity and by region.
69. The committee urges the State party, in addition to the full implementation of the planned farmer debt waiver programme, to take all necessary measures to address the extreme poverty among small-holding farmers and to increase agricultural productivity as a matter of priority, by *inter alia*: developing the rural infrastructures including irrigation as part of the *Bharat Nirman* programme; providing financial and other forms of assistance to families of suicide victims; ensuring that the existing agricultural insurance schemes, including the crop insurance scheme and the calamity relief fund, are fully implemented and are accessible to all farmers; providing state subsidies to enable farmers to purchase generic seeds which they are able to re-use, with a view to eliminating their dependency on multinational corporations. The committee also recommends the state party to review the Seed Bill (2004) in light of its obligations under the Covenant and draw the attention of the State party to para. 19 of the committee's general comment No.12 on the right to adequate food (1999).
70. The committee urges the state party to address the acute shortage of affordable housing by adopting a national strategy and a plan of action on adequate housing and by building or providing low-cost rental housing units, especially for the disadvantaged and low income groups, including those living in slums. In this connection, the committee reminds the State party of its obligations under article 11 of the covenant and refers to its General Comment No. 4 on the right to adequate housing (1991) to guide the Government's housing policies. The committee also requests the State party to provide, in its next periodic report, detailed information on homelessness in the State party and the extent of inadequate housing, disaggregated by, *inter alia*, sex, caste, ethnicity and religion.
71. The committee recommends that the State party take immediate measures to effectively enforce laws and regulations prohibiting displacement and forced evictions, and ensure that persons evicted from their homes and lands be provided with adequate compensation and/or offered alternative accommodation, in accordance with the guidelines adopted by the committee in its general comment No. 7 on forced evictions (1997). The committee also recommends that, prior to implementing development and urban renewal projects, sporting events and other similar activities, the State party should undertake open, participatory and meaningful consultations with affected residents and communities. In this connection, the committee draws the attention of the State party to its General Comment No. 4 on the right to adequate housing (1991) and further

- requests the State party to provide information in its next periodic report on progress achieved in this regard, including disaggregated statistics relating to forced evictions.
72. The committee urges the State party to conduct the post-tsunami rehabilitation process in the affected areas of Tamil Nadu with transparency and in full consideration of its obligation to respect and protect the economic, social and cultural rights of the survivors. The committee requests the State party to provide detailed information in its next periodic report regarding the rehabilitation process and the extent to which the affected groups were consulted throughout the different stages of the process.
  73. The committee recommends the State party to significantly increase its healthcare expenditure, according the highest priority to reducing maternal and infant mortality rates and to preventing and treating serious communicable diseases, including HIV/AIDS. The committee further recommends that the State party take effective measures to fully implement the National Rural Health Mission (2005-2012) and ensure the quality, affordability and accessibility of health services without hidden costs, especially for disadvantaged and marginalised individuals and groups. In this respect, the committee draws the attention of the State party to its General Comment No. 14 on the right to the highest attainable standard of health (2000) and requests the State party to provide detailed information, on a disaggregated and comparative basis, regarding the progress it has achieved in this regard in its next periodic report. The committee also recommends the State party to undertake a **systematic assessment of policy measures and the realities of mental illness in the state party** with a view to improving the treatment of and care for persons with mental illnesses.
  74. The committee recommends the State party to take effective measures to ensure equitable access to safe drinking water by rigorously enforcing existing laws on water treatment and effectively monitoring compliance. The committee requests the State party to report on these issues by providing comparative and disaggregated data in its next periodic report, bearing in mind the committee's general comment No. 15 (2002) on the right to water.
  75. The committee recommends that the State party strengthen its measures to improve the sanitary and hygienic conditions in prisons and to ensure that the right to mental and physical health of all prisoners is respected, in accordance with Article 12 of the Covenant.
  76. The committee recommends the State party to provide, without further delay, adequate compensation, and wherever possible, rehabilitative measures, to survivors of the Bhopal leak and their families. The committee requests the State party to provide detailed information in this regard in its next periodic report.
  77. The committee recommends that the State party expand availability and accessibility of **reproductive** and sexual health information and services for everyone, and ensure that the educational programmes, including within the school curriculum, as well as services on sexual and reproductive health, are widely available.
  78. The committee recommends the State party to substantially increase funds allocated to public health and to provide additional incentives in order to prevent further loss of medical professionals from the public health services. The committee also urges the State party to take all necessary measures to ensure universal access to affordable primary health care. The committee also requests the State party to provide information on the measures to regulate the private healthcare sector.

79. The committee recommends that the State party give high priority to address the problem of trade in human organs and to provide information on the progress achieved in its next periodic report.
80. The committee urges the State party to continue to make determined efforts to achieve universal primary education, compulsory and free of charge, by *inter alia*, taking further initiatives to eliminate child marriages, child labour especially of school-aged children, and targeting disadvantaged and marginalised groups in particular.
81. The committee recommends that the State party allocate increased funding to public schools, ensuring that teachers are fully trained and qualified.
82. The committee recommends the State party to intensify its literacy programmes for adults, and to adopt awareness-raising campaigns and programmes on the value of literacy. Such strategies and awareness-raising campaigns and programmes should be designed and targeted especially for the disadvantaged and marginalised groups, in particular, women and those living in poverty.
83. The committee encourages the State party to provide human rights education in schools at all levels and in universities, cultivating values of tolerance, social inclusion and participation. The committee also encourages the State party to make increased efforts to raise awareness about human rights, in particular economic, social and cultural rights, among State officials, the judiciary and the public at large.
84. The committee recommends the State party to consider going beyond the creation of museums and hosting of exhibitions as a way of preserving and promoting culture, and to ensure that no development initiative is carried out without effective consultation with the local communities, and that any potential negative impact on their right of everyone to take part in cultural life be taken into serious consideration when conducting social audits.
85. The committee requests the State party to disseminate the present concluding observations widely among all levels of society, particularly among federal and State government officials as well as judicial authorities, and to inform the committee on the steps that it has taken to implement them in its next periodic report.
86. The committee also encourages the State party to engage non-governmental organisations and other members of civil society in the process of discussion at the national level prior to the submission of its next periodic report.
87. The committee invites the State party to submit its core document in accordance with the 2006 harmonised guidelines on a common core document (HRI/GEN/2/Rev.4).
88. The committee encourages the State party to consider ratifying the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment without further delay. The committee also encourages the State party to consider ratifying the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.
89. The committee requests the State party to submit its sixth periodic report by 30 June 2011 and to include in that report, detailed information on the steps it has undertaken to implement the recommendations contained in the present concluding observations.

# ACRONYMS

AABY	Aam Adami Bima Yojana
AAY	Antyodaya Anna Yojana
AE	Actual Expenditure
AIBP	Accelerated Irrigation Benefit Programme
AIDS	Acquired Immune Deficiency Syndrome
AIIMS	All India Institute of Medical Sciences
AITUC	All India Trade Union Congress
ANM	Auxiliary Nurses & Midwives
APL	Above Poverty Line
APMC	Agriculture Produce Marketing Committee
APREI	Andhra Pradesh Residential Educational Institutions
ARWSP	Accelerated Rural Water Supply Programme
ASSOCHAM	Associated Chambers of Commerce and Industry of India
AWC	Anganwadi Centre
BC	Backward Class
BE	Budget Estimate
BEE	Bureau of Energy Efficiency
BfC	Budget for Children
BPL	Below Poverty line
BRGF	Backward Regions Grant Fund
BSUP	Basic Services to Urban Poor
CAG	Comptroller and Auditor General
CAP	Comprehensive Action Plan
CBGA	Centre for Budget and Governance Accountability
CDS	Current Daily Status
CHC	Community Health Centre
CII	Confederation of Indian Industries
CMP	Common Minimum Programme
CPCB	Central Pollution Control Board
Cr.P.C	Criminal Procedure Code
CRC	Child Rights Convention
CS	Central Sector schemes
CSOs	Civil Society Organisations
CSS	Centrally Sponsored Schemes
CVD	Countervailing Duty



## Human Rights and Budgets in India

CWS	Current Weekly Status
DDP	Desert Development Programme
Dept.	Department
DIET	District Institute of Education & Training
DoNER	Development of North Eastern Region
DPAP	Drought Prone Area Programme
DPCs	District Planning Committees
DPEP	District Primary Education Programme
DSE	Director of School Education
EBB	Educationally Backward Block
EGC	Education Guarantee Centre
FCI	Food Corporation of India
FDA	Forest Development Agency
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
FII	Foreign Institutional Investors
FM	Finance Minister
FRBM	Fiscal Responsibility and Budget Management (Act)
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GIA	Grant in Aid
GOI	Government of India
GSDP	Gross State Domestic Product
H&FW	Health and Family Welfare
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HRD	Human Resource Development
IAY	Indira Awaas Yojana
ICDS	Integrated Child Development Scheme
ICPS	Integrated Child Protection Scheme
IDA	International Development Association
IEEMA	Indian Electrical and Electronics Manufacturers' Association
IFPRI	International Food Policy and Research Institute
IHSDP	Integrated Housing and Slum Development
IIFM	Indian Institute of Forest Management
IMR	Infant Mortality Rate

INTUC	Indian National Trade Union Congress
IPCC	Inter-Governmental Panel on Climate Change
ITI	Industrial Training Institute
IWDP	Integrated Wasteland Development Programme
JFM	Joint Forest Management
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KGBV	Kasturba Gandhi Balika Vidyalaya
LDC	Least Developed Countries
LDP	Language Development Programmes
MCH	Maternal and Child Health (Scheme)
MDM	Mid-Day Meal
MH	Million Hectares
MHRD	Ministry of Human Resource Development
MIS	Market Intervention Scheme
MMR	Maternal Mortality Rate
MOEF	Ministry of Environment and Forest
MRP	Mixed Recall Period
MSJE	Ministry of Social Justice and Empowerment
MSS	Matching State's Share
MT	Metric Ton
MTP	Medical Termination of Pregnancy
NABARD	National Bank for Agricultural and Rural Development
NAFED	National Agriculture Cooperative Marketing Federation
NAIS	National Agricultural Insurance Scheme
NAP	National Afforestation Programme
NAPCC	National Action Plan on Climate Change
NCMP	National Common Minimum Programme
NCMP	National Coastal Management Programme
NEERI	National Environmental Engineering Research Institute
NEN	North East Network
NER	North Eastern Region
NFHS	National Family Health Survey
NFWP	National Food for Work Programme
NKC	National Knowledge Commission
NPEGEL	National Programme for Education of Girls at Elementary Level
NREGA	National Rural Employment Guarantee Act
NREGS	National Rural Employment Guarantee Scheme

## Human Rights and Budgets in India

NRHM	National Rural Health Mission
NSS	National Sample Survey
NSSO	National Sample Survey Organisation
PDS	Public Distribution System
PHC	Primary Health Centre
PMGSY	Pradhan Mantri Gram Sadak Yojana
PMGY	Pradhan Mantri Gramodaya Yojana
PMSM	Pre-Matric Scholarship for the Minorities
PPP	Public Private Partnership
PPS	Procurement Support Scheme
PR	Panchayat Raj
PSK	Prambhik Siksha Kosh
RBI	Reserve Bank of India
RCH	Reproductive and Child Health
RCH	Reproductive Child Health (Programme)
RE	Revised Estimate
RGDWM	Rajiv Gandhi Drinking Water Mission
RGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
RIAD	Remote and Interior Areas Development
RIDF	Rural Infrastructure Development Fund
RSVY	Rashtriya Sam Vikas Yojana
SBI	State Bank of India
SC	Schedule Caste
SCARDBs	State Cooperative Agriculture Rural Development Banks
SCERT	State Council of Educational Research & Training
SCP	Special Component Plan
SCP for SCs	Special Component Plan for SCs
SCs	Scheduled Castes
SCSP	Scheduled Caste Sub Plan
SGRY	Sampoorna Gramin Rozgar Yojana
SGSY	Swaranjayanti Gram Swarozgar Yojana
SHGs	Self Help Groups
SJSRY	Swarna Jayanti Shahari Rozgar Yojana
SLNA	State Level Nodal Agency
SNP	Supplementary Nutrition Programme
SPCB	State Pollution Control Board
SSA	Sarva Siksha Abhiyan

ST	Schedule Tribe
STs	Scheduled Tribes
SUCCESS	Scheme for Universal Access and Quality at the Secondary Stage
SW	Social Welfare
TAS	Tribal Area Subplan
TB	Tuberculosis
TEQIP	Technical Education Quality Improvement Programme
TLE	Teaching Learning Equipment
TSC	Total Sanitation Campaign
TSP	Tribal Sub Plan
TW	Tribal Welfare
UEE	Universalisation of Elementary Education
UIDSSMT	Urban Infrastructure Development for Small and Medium Town
UIG	Urban Infrastructure and Governance
ULB	Urban Local Bodies
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UPA	United Progressive Alliance
URP	Uniform Recall Period
UT	Union Territory
UWEP	Urban Wage Employment Programme
VAMBAY	Valmiki Ambedkar Awas Yojana
VAT	Value Added tax
VPTs	Village Public Telephones
WHO	World Health Organisation
WII	Wildlife Institute of India

# Glossary of Key Budgetary Terms

## 1. Revenue Receipts

Revenue receipts comprise proceeds of total tax and non-tax revenues of the government. With this receipt there is no change in asset-liability position of the government i.e. it neither decreases the asset of the government nor increases its liability. The main revenue receipts of the government are tax revenues, such as, income tax, corporate tax, customs and excise duties, and non-tax revenues, such as, interest and dividend on investments made by government, fees and other receipts for services rendered to the public and private by the government. In 2008-09 Union Budget, total revenue receipts of the central government is projected to be Rs. 6,02,935 crore.

### *1.a. Tax Revenue*

Revenue from taxes constitutes the major revenue receipt of the government. In 2008-09 Union Budget, total tax revenue receipts of the central government is projected to be Rs. 5,07,150 Crore. **Direct Taxes** are the taxes of which the tax-burden cannot be shifted. That means the burden of the particular tax rests on the same person who directly pays it to the government e.g. income tax, expenditure tax, corporate income tax, property tax etc. Direct taxes are directly related to a person's ability to pay and considered the best way to reduce inequality of wealth and income in the society. **Indirect Taxes** are the taxes for which the tax-burden can be shifted. Those who initially pay indirect taxes to government can ultimately shift the tax-burden to other persons who consume the services or goods later, e.g. customs duty, excise duty and sales tax, etc. Hence, indirect taxes are considered a huge burden on the common people – even the poorest of the poor have to pay this tax when they buy or avail services irrespective of their income capacity.

### *1.b. Non-Tax Revenue*

Non-tax revenue comprises revenue receipts of the government other than taxes and duties. Non-tax revenue mainly consists of interests receipts and dividends on investments made by government, fees (stamp fee, etc.) and other receipts for the service rendered by government to public as well as to private e.g. fiscal services, economic services, defence services, etc. Total non-tax revenue receipts of the central government during 2008-09 is projected to be Rs. 95,785 crore.

## 2. Capital Receipts

Capital receipts of the government are always accompanied by a reduction in the assets or increase in the liability of the government. Capital receipts that are usually accompanied by a reduction in its assets are recoveries of loans given by the government in the past, proceeds from disinvestment, etc. Capital receipts through loans taken by the government, from domestic or foreign sources, lead to an increase in its liabilities. Total capital receipts of the central government for the year 2008-09 is projected to be Rs. 1,47,949 crore.

## 3. Revenue Expenditure

Revenue expenditure usually does not have any impact on creation of assets or reduction of liabilities. It is usually incurred for the normal running of government and to meet the administrative expenditures of the government (e.g. salaries, pension etc.), interest charges on debt incurred by government, subsidies, etc. The

grants given to state governments and other parties are also treated as revenue expenditure by the central government, even though some of the grants may be used subsequently for creation of assets. Total revenue expenditure by the central government is estimated at Rs. 6,58,119 crore in Union Budget 2008-09.

#### **4. Capital Expenditure**

Capital expenditure refers to the government expenditure incurred with the purpose of either increasing assets or reducing liabilities. It is, however, not essential that the assets created should be productive in character or that they should even be revenue generating. After it has been decided to incur expenditure for the creation of a new or additional asset, capital expenditure bears all charges for the first construction of the project, while revenue expenditure bears all subsequent charges for maintenance and all working expenses. Total capital expenditure by the central government is estimated at Rs. 92,765 crore in Union Budget 2008-09.

#### **5. Plan Expenditure**

In India, plan expenditure covers a part of the total expenditure, which is meant for financing the schemes and programmes especially framed under the given plan (the Five Year Plan) or the unfinished tasks of the previous plans. Once a programme or scheme pursued under a specific plan completes its duration, the maintenance cost and future running expenditures on the assets created or staff recruited are not regarded as plan expenditure. The plan expenditure is further divided into two categories, Plan revenue expenditure and plan capital expenditure. Total plan expenditure by the central government is estimated at rs. 2,43,386 crore in Union Budget 2008-09.

#### **6. Non-Plan Expenditure**

Any expenditure of the government that does not fall under the plan expenditure is non-plan expenditure. Non-plan expenditure is the expenses required for the maintenance and running costs (usually the administrative over-heads) of the completed schemes or programmes undertaken in various plans. Since the maintenance and administrative expenses increase over the period of time, the non-plan expenditure of the government are usually much higher than the plan expenditure. Like in plan expenditure, non-plan expenditure is also divided into two categories, non-plan revenue expenditure and non-plan capital expenditure. Total non-plan expenditure in the central government is estimated at rs. 5,07,498 crore in Union Budget 2008-09.

#### **7. Deficit & Debt**

The excess of expenditure over income or excess of liabilities over assets is known as 'Deficit'. In simple terms, deficit means shortage [deficit = expenditure – income]. Thus, deficit refers to a gap, and Debt covers that gap. The government usually raises Debt to make investments under various social and economic overheads like railways, roads, bridges, education, health etc. Such enhanced public expenditure could not be met otherwise from the current revenues of the government. Internal debt is refers to debt raised within the country from financial institutions and other bodies constituted in India. External debt refers to debt raised from foreign sources like, foreign nations, foreign banks and other foreign bodies. The total of both internal and external debt is known as 'public debt'. Total public debt of india is estimated at rs. 18,84,985.73 crore (of which, Rs. 18,65,775.8 crore is from internal sources and Rs. 19,209.93 crore is from external sources) in the Union Budget 2008-09.

### **7a. Revenue Deficit**

The excess of revenue expenditure over the revenue receipts is referred as 'revenue deficit'. Revenue deficit basically means dis-savings on government account and use the savings of other sectors of the economy to finance the consumption expenditure of the government [revenue deficit = revenue expenditure – revenue receipts]. Revenue deficit of the central government is estimated at rs. 55,184 crore (about 1.5 percent of the projected GDP) in Union Budget 2008-09.

### **7b. Fiscal Deficit**

Fiscal Deficit is the difference between the government's total expenditure and its total receipts excluding borrowing (or difference between government's total expenditure and its total non-debt creating receipts) in a given period of time. So, Fiscal Deficit is almost equal to the amount of borrowing by the government both from internal and external sources including interest payments [fiscal deficit = total expenditure (total revenue expenditure + total capital expenditure) – (revenue receipts + recoveries of loans + other capital receipts)]. Fiscal deficit of the central government is estimated at rs. 1,33,287 crore (about 3.3 percent of the projected GDP) in Union Budget 2008-09.

### **7c. Primary Deficit**

Primary Deficit is the difference between fiscal deficit and interest payments [Primary deficit = fiscal deficit – interest payments].

## **8. Plan Schemes**

There are three different kinds of plan schemes, which are implemented in any state, viz. state plan schemes, Central sector schemes and centrally sponsored schemes.

**State Plan Schemes** – The funds for state plan schemes are provided only by the state government, with no 'direct contribution' from the centre. However, the centre may provide, at the recommendation of planning commission, some assistance to the state government for its state plan schemes, which is known as '*central assistance for state & UT plans*'. Unlike centre's grants to a state under central schemes, the '*central assistance for state & UT plans*' cannot be tied to any conditionalities of the central government ministries.

**Central Sector Schemes** (also known as central plan schemes) – The entire amount of funds for a central sector scheme/ central plan scheme is provided by the central government from the Union Budget. The State government implements the scheme, but it does not provide any funds for such a scheme from its state budget.

**Centrally Sponsored Schemes** – In case of a Centrally Sponsored Scheme, the central government provides a part of the funds and the state government provides a matching grant for the Scheme. The ratio of contributions by the centre and a state is pre-decided through negotiations between the two.

## **9. Budget Estimates (BE) and Revised Estimates (RE)**

Let's consider a new budget being presented in parliament. The estimates presented in this Budget for the approaching fiscal year would be called **Budget Estimates (BE)**. The estimates presented in this budget for the current/ ongoing fiscal year based on the disbursements in the first two to three Quarters of the fiscal year would be called as **Revised Estimates (RE)**. However, the figures (of receipts and expenditure) for the previous fiscal year would be referred to as **Actuals** or **Accounts**.

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