



James Barker

STILL OUT OF FOCUS

Budget for Children in India

Over 40 per cent of India's population are not taking part in General Elections 2009. And because India's 420 million children are not voting, their interests have slipped off the political radar. Amidst the many issues that vie for the politician's attention – economic meltdown, global warming, dwindling food and fuel supplies, the Commonwealth Games

2010 or communal-ethnic violence – children have no breathing space. Yet, while India has the resources to send an unmanned spacecraft to the moon it is unable to save its children from starvation, hunger, diseases and lack of education. This is because children remain out of focus at all levels of governance, including the general budget.

What is Budget for Children (BfC)?

What is the situation of the children in India that needs to be addressed with “available resources”? More importantly, are the resources being allocated and spent “adequate”?

Budget for children is not a separate budget. It is simply an attempt to separate, from the central or state budget, the specific allocations made for programmes that benefit children.



Eclectic Man

Why should we give priority attention to the children?

- Nineteen per cent of the world’s children are in India. They account for 42 per cent of the country’s total population. In international comparisons of the status and condition of children, India continues to rank poorly on several key indicators. India’s children still suffer from malnutrition, inadequate health services, insufficient and unhealthy water & sanitation and poor access to education.
- Children are voiceless and vulnerable. They do not vote, so they do not form a politically significant lobby and cannot themselves demand more effective delivery of socio-economic services to meet their needs. A detailed assessment of how much the government is spending on children is therefore necessary to reinforce the demand for improving the living standards of children. Budgetary programmes, specifically socio-economic expenditures, impact the well-being and life opportunities of children directly.
- By ratifying the United Nations Convention on the Rights of the Child in 1992, India promised to place Children’s Rights at the forefront of its development agenda. It promised to give greater priority to issues and concerns related to children in all its developmental programs.

“State parties shall undertake such measures to the maximum extent of available resources and where needed the framework of international cooperation.”

Article 4, UN Convention on the Rights of the Child

What is the share for children in the Union budget?

India allocates over 4 per cent of the National Budget to its children. The maximum allocation is for education¹ and development², while children's protection and health needs have been largely neglected.

- At first glance, the growth in the allocation for BfC appears to be fairly impressive. But concerns remain. Budget allocations for children's programmes went up from Rs 13173.56 crore in 2004-05 to Rs 34743.61 crore in 2008-09, a whopping 163 per cent jump in five years. The rise was an impressive 68 per cent even in terms of the share of BfC in the total Union budget. A closer scrutiny however shows that the share has been falling since 2006-07. The decline has been steeper in terms of budget estimates—close to 25 per cent from 2006-07 to 2008-09.
- Across the four sectors within BfC, under-utilisation of resources, measured by the gap between budgeted and revised/actual estimates, stands at an average of 2.74 per cent during the period of study. Among the four sectors, under-utilisation has been the highest in health and protection, especially in 2006-07, resulting in millions of rupees intended for children remaining unspent. This is mainly because of poor planning and implementation of schemes, and over-budgeting in some cases.
- As much as 12.54 per cent of the allocations for children are through external financing.³ Financial dependence on external sources declined from 24.16 per cent in 2004-05 to about 7.24 per cent in 2007-08, but again went back up to 10.56 per cent in 2008-09. External sources fund a huge chunk of the health outlay – 43.78 per cent – as well as 9.72 per cent of education and 1.61 per cent of child development allocations.
- External aid in development sector declined to 11.4 per cent over 2000-01 to 2006-07, mainly due to closure of the World Bank-assisted ICDS in 2006. The Ministry of Women and Child Development (MWCD) has now negotiated with the World Bank for the practically free IDA (International Development Association) grants for implementing the fourth phase of ICDS over 2008-12.
- While countries must draw upon all available sources for funding development programmes, including external aid, India's social sector remains comparatively more exposed to external funds and all the risks associated with it. Dependence on external resources lays countries open to sanctions and withdrawal of funds, and changes global priorities for funding, impacting availability of resources and thus delivery of programmes. The beneficiaries—in this case, the children—bear the brunt.

Budget for Children as a Percentage of Union Budget

	2004-05	2005-06	2006-07	2007-08	2008-09	Average
Budget Estimates (BE)	2.75	4.08	5.23	5.08	4.62	4.45
Revised Estimates (RE)	2.74	4.21	4.83	4.86	4.53	4.23
Actual Expenditure (AE)*	2.96	4.51	4.77	NA	NA	4.12

* Actual expenditure figures come in the budget document with a lag of two years, so they are not yet available for 2007-08 and 2008-09.

1 BfC for Education sector is calculated on the basis of allocation and expenditure on education of children up to the age of 18 years

2 Development includes all heads of allocation that does not fall within any of the specific sectors as well as early childhood care and education.

3 This does not include funding support for protection. The Child Labour Elimination Programmes, the main recipient of such funds, receives external funds through direct partnership between the funding bodies and implementing agencies or state governments and are not reflected in the Union Budget.

- Increasing “corporatisation” of the social sector has worked to reduce state responsibility and investment in basic services, forcing people to spend more on education and health. The impact is felt in the welfare sector, in the handover of running of care institutions for children to private bodies, and in the nutrition sector where the minister for women and child development herself is keen to junk cooked hot meals for children, first in the mid-day meal scheme and now the Anganwadis, in favour of pre-cooked packaged food such as biscuits.

Fig.1 Share for Children in the Union Budget (Average Allocation for 2004-05 to 2008-09)

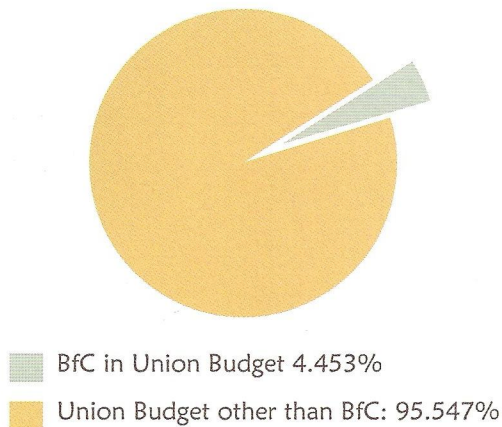
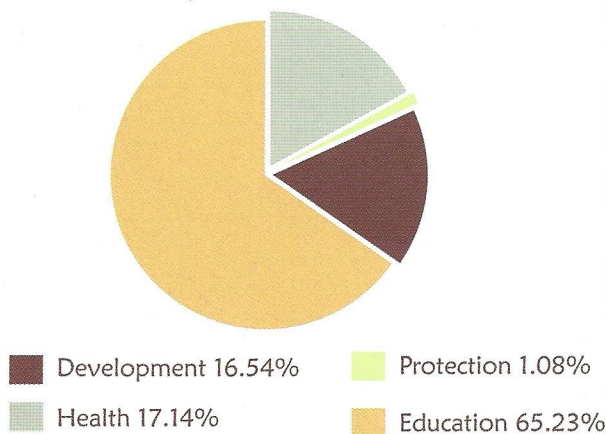


Fig.2 Sectoral Allocation (BE) as Percentage within Budget for Children (Average for 2004-05 to 2008-09)



Health

- The status of health of children reveals the ocean-wide gap between the needs on the ground and the average allocation every year. Although it is very difficult to disaggregate the allocations since a large part of the needs are met by the universal government health facilities, a detailed analysis shows that children received an average of only 0.76 per cent of the total health budget.

There are 37 million children below the age of three who are malnourished and underweight. NFHS-3 found that almost 50 per cent of children under the age of five in India are moderately or severely malnourished. This means the health status of children in India is worse than that in Sub-Saharan Africa.

- Among the four sectors, health allocation shows the lowest average annual growth of 18.73 per cent over 2005-06 to 2008-09. The health sector also shows an average under-spending of up to 10.59 per cent, with the maximum of 25.03 per cent in 2006-07, mainly due to an under-spending of 34.64 per cent in the Reproductive



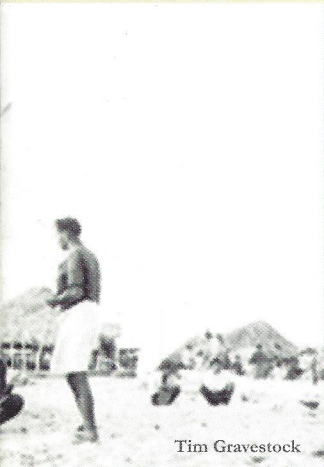
and Child Health programme. A scrutiny of the programme reveals that not a single penny of the massive allocation of Rs. 500 crore for supply and purchase of materials was spent. According to the Appropriation Accounts, 2006-07, of the Department of Health & Family Welfare, this is because the agreement with World Bank for the RCH-II project was not finalised and materials and medicines were not purchased. Even in the RCH Training programme, there was an under-spending of 75.03 per cent and in the Strengthening of Immunisation and Polio Eradication programmes, this was 64.41 per cent.⁴

- According to NFHS-3, 37 per cent of the deliveries in India are assisted by traditional birth attendants and 16 per cent, by a family member or untrained person. The absence of a trained person during birth significantly contributes to the high maternal mortality rates. Also, only 44 per cent of children aged 12-23 months are fully vaccinated, a mere two per cent increase from the levels during NFHS-2. In a situation where we need more investments in universal immunisation and in training health workers/ANMs (auxiliary nurses and midwives), such massive under-spending in the budget is seriously alarming.

4 Appropriation Account, Department of Health and Family Welfare, Grant No. 46, pp 263

Development

- The development sector includes early childhood care and development, pre-school education and development schemes that do not fit into the other sectors. Even in this sector, the over 221 per cent increase in the budget for child development programmes in the five-year period – with the biggest rise of 68.3 per cent in 2005-06 – may seem huge but has little meaning set against the achievements. According to the NFHS-3 conducted in 2006, only 28 per cent of children received any services from the Anganwadi Centres (AWC). Even the 2007-08 annual report for the Ministry of Women and Child Development says, only 10.5 lakh Anganwadis were operational, leaving a gap of 6.5 lakh Anganwadis and thousands of children uncovered. Yet, the government actually left money unspent in ICDS in 2006-07; compared to the budget allocation of Rs 4543 crore, the revised estimates came to about Rs 4088 crore, an 11.14 per cent cut. In the next two years, the government raised the budget outlays by 16.5 per cent and 19 per cent respectively, probably to make up for the lapse.
- Funds were not utilised even for the National Commission for Protection of Child Rights, allowing it to function even in the last year of its first term with fewer members—three including the chairperson—and its budget declined 30 per cent from Rs 10 crore in 2007-08 to Rs 7 crore in 2008-09.



Tim Gravestock

Despite the Supreme Court order for an Anganwadi Centre per 1,000 people, many parts of the country completely lack ICDS services. Out of 60 million children in the age group of 3-6 years, close to 26 million children are not covered by ICDS and only 12 per cent children have received supplementary food daily. About 80 per cent did not receive health check-ups in the AWCs. ICDS has also not been inclusive. Only 14 per cent of AWCs are on record for providing services for children with special needs, while only 13 per cent OBC children, 10 per cent each of SC and ST and less than 8 per cent Muslim children are found benefiting from it. Even little girls find limited access.

Education

- Education began with a bang with budget outlay rising over 72 per cent in 2005-06 to meet the 6 per cent of GDP commitment in the National Common Minimum Programme. But the good times didn't last. Outlays rose far slower in the later years and finally declined by 9.47 per cent in 2008-09 to Rs 23631 crore, even as allocations to elementary education fell by over 21 per cent.
- In the five years under study, despite consistent hikes in the outlays for prestigious central programmes like Sarva Shiksha Abhiyan (SSA) and Mid Day Meal (MDM), the goal of achieving universal elementary education is far from being met. Some 7.6 million children continue to be out of school.¹
- According to the Central Excise and Customs Board, since the elementary education cess was imposed in 2004-05 till January 2009, the Government has collected a total of

An independent nationwide sample survey conducted by SRI-IMRB in 2005 found 13.4 million children in the 6-14 year age group to be out of school (6.94%)

In rural areas, 7.8 per cent of children are out of school against 4.34 per cent in urban areas.

Among social groups, 9.97 per cent of Muslim, 9.54 per cent of ST, 8.17 per cent of SC and 6.9 per cent of OBC children are out of school.

Bihar (23.6 per cent), UP (22.2 per cent), West Bengal (9 per cent), MP (8 per cent) and Rajasthan (5.9 per cent) have the highest number of out of school children.

Source: MHRD, Working Group Report for XIth Plan 2007

1 Ministry of Human Resource Department, Shri M.A.A Fatmi in reply to a question in Lok Sabha, April 29, 2008.

Rs 23,889.83 crore from education cess (this figure includes the secondary education cess). It is important to see if the government is properly utilising the collections in the Prarambhik Shiksha Kosh, which is used to fund SSA and MDM, as the cess is contributed by practically every Indian. While it is difficult to know if the government is using the PSK money for things other than education, our analysis shows that the government has steadily shifted the responsibility of funding these two schemes to the PSK. Over 2006-07 to 2008-09, allocation from the PSK for these two schemes went up by 46.55%, from Rs 8746 crore to Rs 12817 crore. But the government's own contribution to MDM and SSA remained practically stagnant: it was Rs 6109 crore in 2006-07 and Rs 6323 crore in 2008-09. In fact, we could argue that taking into account the effect of inflation, the government's contribution is declining.

Protection

- The budget for child protection is meant for two specific groups of children in difficult circumstances - child labour and children addressed by the Juvenile Justice Act, 2000. Except for child labour, street children, children in conflict with law or children requiring alternative care such as adoption, there is little reflection of the several other categories of children in difficult circumstances. The Ministry of Home Affairs acknowledges that 16 out of 28 states in India are faced with internal armed conflict. Children growing up in these states are vulnerable to violence and atrocities by both state and non-state parties. A specific scheme and/or budgetary provisions to cater to such children are still missing.
- Neglect and under-spending mark child protection schemes. Of the four sectors, this one consistently received the lowest share--0.05 per cent of the total National Budget and 1.08 per cent within the BfC on average. Even though the budget allocation has increased by an average of 33.36 per cent during the five-year period, the sector shows the highest average under spending of 12.76 per cent for this period, reflecting the

According to the National Crime Records Bureau, there was a 26.7 per cent increase in crimes against children between 2005 and 2006. Between 2006 and 2007, such crimes went up slower, by 7.6 per cent. However, cases of kidnapping and abduction of children went up by 25 per cent to 6377, the highest number of crime against children in 2007. This was followed by 5045 cases of rape, showing an increase of 6.9 per cent over the previous year.

low priority accorded to it by the government. The maximum under-spending of 26.19 per cent took place in 2006-07.

- Very curiously, for two schemes in this sector, the Scheme for Rescue of Victims of Trafficking, and Relief and Rehabilitation of Rape Victims, no expenditure has been mentioned in the detailed demand for grants for the entire three-year period from 2004-05 to 2006-07, although money has been allocated consistently.
- The year 2007-08 saw a small increase in the budget allocation for protection sector, with two new schemes introduced—the Integrated Child Protection Scheme (ICPS) and Conditional Cash transfer for Girl Child. But, as mentioned in the Appropriation Account of 2007-08, the outlays for these schemes remain unutilised as none of them received approval from the authorities and therefore could not be implemented.



HAQ's Initiative

HAQ began its work on BfC with a decadal analysis, India's Children and the Union Budget, released in September 2001. A first endeavour of its kind, it helped in understanding the process of budgeting and the need for such analysis along with developing a methodology for it. This has been followed up with a national budget analysis for children every year and, since 1992, an analysis of budgets in seven states.

HAQ's analysis has been used by the Government for making international submissions/reports and planning new programmes and interventions for children. Civil society groups have used the findings to file petitions, build arguments for advocacy, write shadow reports to the UN Committee on the Rights of the Child, drafting demands for inclusion of children in election manifestoes and mobilise institutions of local self-governance. The Ministry of Women and Child Development, Government of India, is undertaking regular child budget analysis and has made it a part of India's National Plan of Action for Children 2005. The World Bank has drawn on HAQ's methodology for their paper on public spending on the child.²

Child Budgeting as Government Mandate

"After gender, the next logical step for the Department of Women and Child Development as a nodal department for women and children is the analysis of public expenditure on children.... A pioneering effort was made by HAQ: Centre for Child Rights, in their publication 'India's Children and the Union Budget' (Annual Report, DWCD.2002-2003 page 143).

".... The approach adopted was broadly based on the pioneering effort by HAQ: Centre for Child Rights. This initiative has been continued in 2004-05"

(Annual Report, DWCD, 2004-05 page.114)

2 Reaching out to the child: An Integrated Approach to Child Development', in September 2004 in a chapter, "Underwriting the Child's Development: Public Spending on the Child".

HAQ: Centre for Child Rights works towards the recognition, promotion and protection of rights of all children. It seeks to look at the child in an integrated manner within the framework of the Constitution of India and the UN Convention of the Rights of the Child and contribute to building an environment where every child's rights are recognised and promoted without discrimination. HAQ believes child rights and children's concerns have to be mainstreamed into all developmental planning and action, and must also become a core development indicator.

List of Publications

- Still Out of Focus Status of India's Children 2008
- Handbook on Children's Right to Adequate Housing
- Combating Child Trafficking (A User's Handbook)
- Budget for Children, set of four publications on child budget analysis for India, Andhra Pradesh, Himachal Pradesh and Orissa (2007)
- Child Protection (A Handbook for Panchayat Members in English and Hindi)
- Status of Children in India Inc. (2005)
- Says a child...Who Speaks for My Rights? (A series of booklets analysing parliamentary questions and debates from 2003 to 2007 in English and Hindi)
- My God is a Juvenile Delinquent (This book is not a HAQ publication but available in HAQ)
- Stop Child Trafficking (A Handbook for Parliamentarians)
- Children in Globalising India: Challenging our Conscience (2003)
- Children Bought and Sold: We can Stop It! (Booklet on Child Trafficking in Hindi and English) (2003)
- Children and Right to Adequate Housing: A Guide to International Legal Resources (2002)
- India's Children and the Union Budget (2001)

Audio Visuals

- Toys of Lust and Greed/ Kuch Chehre, Kuch Sawaal
- Stop Child Trafficking, Give back our childhood: 35mm Film Spot on Child Trafficking
- Audio CD/ VHS on Child Trafficking
- Audio CD Public Issue By "Susmit Bose"



HAQ: Centre for Child Rights

208 Shahpur Jat, New Delhi 110049

Phone: 91-11-26490136, Phone/Fax: 91-11-26492551

Email: info@haqrc.org Website: www.haqrc.org