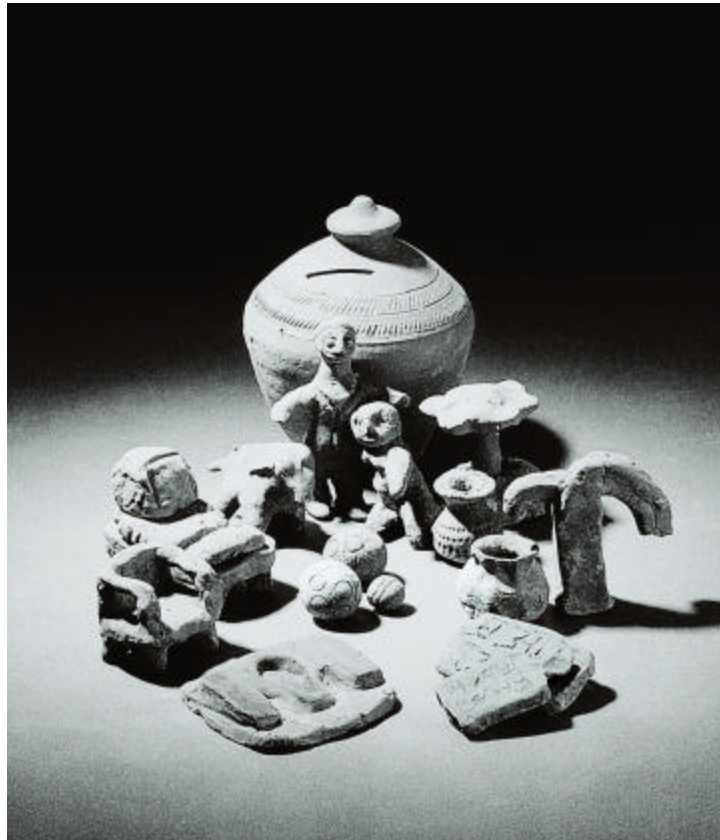


Resource allocation in the Union Budget 2005-06 — Is it sufficient to fulfil the rights of India's children?



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INTRODUCTION

After the presentation of the Union Budget in the Lok Sabha by the Honourable Finance Minister of India on 28 February, last three days have seen responses (both positive and negative) from various pressure and interest groups in the country abroad. But virtually no one cared to look at the various allocations for children in detail. Are these allocations sufficient to ensure the rights of the children? As duty bearers to uphold the rights of India's children the government over the years have been giving lame excuses that there are not enough financial resources to back the commitments in the policies. Due to lack of finances these commitments never see the light of the day.

Our main observations on the Annual Financial Statement 2005-06 from child rights perspective are as follows:

- The finance minister had levied a two per cent cess on all central taxes in his last budget (2004-05). The collection on this account was Rs. 5010.00 crore (Revised Estimates 2004-05) and it should have been allocated entirely for universalisation of quality elementary education. Since any cess is levied on additionality principle the entire collection from education had to be allocated over and above the usual allocation, which is not what has happened as the allocation on elementary education has been increased only by Rs. 3991.91 crore. Where is the missing Rs. 1018.09 crore?
- After accepting the Abhijit Sen committee report on conversion cost to implement the Supreme Court orders on Mid Day Meal scheme the Centre worked out a mechanism to give Rs. 1 per child per school day for two hundred days to the states and union territories. The centre has allocated Rs. 1846.06 crore towards grants-in-aid to states and union territories, whereas it should have been Rs. 2572 crore to provide for 12.86 crore children it has to cover. The allocation for procurement of food grains and their transportation has gone down from Rs. 1507.50 crore (Revised Estimates 2004-05) to Rs. 1164.70 crore (Budget Estimates 2005-06). Do we infer that suddenly the cost of food grains has decreased?
- To implement the Supreme Court orders on universalisation of ICDS scheme while maintaining quality, according to the National Advisory Council headed by Ms. Sonia Gandhi, the allocation should have increased six fold. The increase is only about two fold from Rs. 1490.40 crore (Revised Estimates 2004-05) to Rs. 3142.25 crore (Budget Estimates 2005-06). Does this not amount to violation of Supreme Court order?
- With levels of private financing on health at eighty seven percent and out of pocket expenses on health at nearly eighty five percent in India the allocation on immunisation programme should have increased fourteen fold to immunise all children, as fifty eight percent of India's children are not fully vaccinated.
- The allocation for "Prevention and Control of Juvenile Social Maladjustment" has come down to Rs. 0.01 crore (Budget Estimates 2005-06) from Rs. 18.25 crore (Revised Estimates 2004-05). Does this mean that the Government of India is planning to do away with services under the Juvenile Justice Act, 2000.

CHILD EDUCATION

The Finance Minister in his last Budget (2004-05) had levied an education cess of 2% on all Central Taxes. The receipt on this account, according to the Revised Estimates in the financial year 2004-05, was Rs. 5010.00 crore. According to the Union Finance Minister this collection was to be used for ensuring "Quality Basic Education". The Union Minister for Human Resource Development Mr. Arjun Singh in reply to a question in Rajya Sabha on 6 December 2004 (No. RSSQ 70) had categorically said, "A cess of 2% has been levied by Government on central taxes and is expected to yield about Rs. 4000-5000 crore in a full year. The amount collected as cess will be earmarked for elementary education and mid-day meal scheme." As is the norm the collections from any cess that is levied is spent on the additionality principle. This means that the allocations that have been raised on Elementary Education by Rs. 3991.91 crore - from Rs. 7227.88 crore (Revised Estimates 2004-05) to Rs. 11219.79 crore (Budget Estimates 2005-06) does not even match up to the Rs. 5010.00 crore (Revised Estimates 2004-05), what to say of adherence to the additionality principle.

The Article 21A of the Constitution of India that makes Right to Education for children in the age group of 6 to 14 years a Fundamental Right was introduced in the Constitution via 86th Amendment. The Financial Memorandum to the Amendment mentions that an amount of Rs. 98000 crore is needed over a period of ten years to put all children in the school system and ensure eight years of compulsory and quality schooling, which implies that Rs. 9800 crore should be allocated annually for elementary education over and above the existing levels of expenditure in 2001. On this point too the Honourable Finance Minister has failed to live up to the expectations of those children who are still waiting to avail their right of free and compulsory education of good quality. It is worthy of special mention that the Finance Minister talked about Outcomes as against Outlays. This has to be appreciated, since he has also talked about measurable development indicators. The children of India are waiting for a new and better system of delivery of education, which is more cost effective and ensures their right to free and compulsory education of good quality.

The allocation for Mid Day Meal scheme has increased from Rs. 1507.50 crore (Revised Estimates 2004-05) to Rs. 3010.76 crore (Budget Estimates 2005-06). This looks nice to read but there is a massive shortfall if we look at it in the light of the requirements after the Supreme Court's order of April 2004, which directed the Centre to provide for the conversion cost to the states. The Centre worked out a mechanism whereby it would provide Rs. 1 per school day per child to the states, to implement the recommendations of the Abhijit Sen Committee appointed by Government of India regarding sharing of conversion cost of implementing the cooked mid-day meal scheme. The number of school days according to the Supreme Court has to be 200 days.

(In crores of Rupees)								
Head	Budget 2004-2005			Revised 2004-2005			Budget 2005-2006	
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan
Nutritional Support to Primary								
Education (MDM)	2202	1675.00	1675.00	1507.50	1507.50	1164.70	1164.70	
	3601					1825.07	1825.07	
	3602					20.99	20.99	
Total	1675.00		1675.00	1507.50	1507.50	3010.76	3010.76	

The heads 3601 and 3602 are for Grant-in-Aid to states and union territories respectively, which are actually meant to cover the conversion cost which the Centre had worked out as Rs. 1 per school day per child. The total of these allocations that are introduced in this year's Budget (2005-06) is Rs. 1846.06 crore. However going by the Centre's commitment to implement the

order of Supreme Court it should have been Rs. 2572 crore to provide for 12.86 crore children it has to cover. There is a shortfall of Rs. 725.94 crore. Also the allocation under the Head 2202 (which is for the cost of food grains and their transportation) has decreased from Rs. 1507.50 crore (Revised Estimates 2004-05) to Rs. 1164.70 crore (Budget Estimates 2005-06). Do we infer that suddenly the cost of food grains has decreased?

EARLY CHILDHOOD CARE AND DEVELOPMENT

The Integrated Child Development Services (ICDS) scheme assumes a very special significance in a country like India where the development indicators project an absolutely dismal picture. In India 47 per cent of children in the age group of 0 to 3 years are undernourished, 51 per cent of the children suffer from severe or moderate anaemia, and the number of child deaths (0 to 5 years) are highest in the world. In these circumstances ICDS is the only glimmer of hope for children in the age group of 0 to 6 years, especially since the fundamental right to education (Article 21A of the Constitution of India) too does not cover this age group. The allocation for ICDS increased from Rs. 1490.40 crore (Revised Estimates 2004-05) to Rs. 3142.25 crore (Budget Estimates 2005-06). This appears to be a huge increment; still it is not sufficient to cover the required cost of universal coverage of all 17 lakh habitations in India. Supplementary nutrition is currently provided to 3.4151 crore¹ children, as opposed to 16 crore children (47 per cent of whom are undernourished) in the 0-6 age group. The coverage of settlements is also highly inadequate — there are only 6.41² lakh anganwadis in the country, compared with an estimated 17 lakh required for universal coverage based on existing norms. To implement the Supreme Court's order in true letter and spirit, the allocation should have been increased six fold, which even the National Advisory Council headed by Ms. Sonia Gandhi, also accepts (See Box 1).

Box 1

"Universalisation" roughly involves **tripling the coverage of ICDS**. If **expenditure per child is doubled across the board**, as an essential first step towards improved quality, the overall resource requirements also double. **Tripling the coverage and doubling unit costs would imply a six-fold increase in ICDS expenditure**. As far as the central government is concerned, this would mean raising the annual budget allocation for ICDS **from Rs 1,600 crores to Rs 9,600 crores per year**. If this increase is spread over a period of two or three years, it is well within the realm of feasibility. Indeed, this is not a high price to pay to protect 15 crore children from hunger and disease.

Source: Recommendations on ICDS (based on deliberations of the National Advisory Council on 28 August 2004)

CHILD HEALTH

Percentage of children not fully vaccinated	58
Percentage of children not vaccinated at all	14

Source: International Institute for Population Sciences-2001

When the "child health statistics" project such poor picture of India's performance, it is worrisome to know that there is abysmally low public health expenditure — around 0.9 per cent of gross domestic product (GDP), below the average of low-income countries and even Sub-

¹ Annual Report 2003-04, Department of Women and Child Development, Ministry of Human Resource Development, Government of India.

² Ibid.

Saharan Africa.³ The state's policy objective to provide free universal health care to the entire population is totally divorced from ground realities. The allocation for "Strengthening of Immunisation Programme and Eradication of Polio" is Rs. 1380.68 crore (Budget Estimates 2005-06) as against Rs. 1186.40 crore (Budget Estimates 2004-05) and Rs. 485.93 (Revised Estimates 2004-05). The major share in any allocation for immunisation goes towards eradication of polio. Last year (2004-05), of the allocation of Rs. 1186.40 crore the share for Eradication of Polio Programme is Rs. 1123 crore (Lok Sabha Unstarred Question No. 359, 7 July 2004). That left only Rs. 63.40 crore for the other 5 vaccine preventable diseases viz. childhood tuberculosis, diphtheria, pertussis, measles and neo-natal tetanus. This has to be looked into against the fact that **46.4% children in the country have not been immunised against vaccine preventable diseases** (Rajya Sabha Unstarred Question 2286, 11 August 2003). The point to be noted here is that even out of the 53.6% children who have been immunised are not because of government's initiative as India has one of the highest levels of private financing (87 per cent), with out of pocket expenses estimated at as high as 84.6 per cent.⁴ Therefore on a simplistic argument, to immunise all children on state's initiative (which is highly recommended as "the highly skewed pattern of health finance in India is a major contributor to the perpetuation of poverty"⁵) the allocation should have been increased 14-fold over the last years Budget Estimates of Rs. 1186.40 crore, i.e. it should have been Rs. 16609.60 crore or a system should have been put in place to generate the aforementioned amount. The government of India needs to look into this matter seriously as the National Health Policy 2002 itself sets a target of reduction of IMR to 30 by the year 2010, which at present is 63.

CHILDREN IN DIFFICULT CIRCUMSTANCES

In a country like India where there are about 1.25 crore child labour⁶, 4 lakh child prostitutes and 1.13 crore children on street (in six metropolitan cities of India) the Finance Minister should have paid special attention to these children who are in difficult circumstances. However the continued existence of child labour, many of whom are also children out of school, is a contradiction to the fundamental right to free and compulsory education. The budget estimates for NCLP schools, which caters to only those child labours who have been rescued from "hazardous labour", is Rs. 125.05 crore (Budget Estimates 2005-06).

After examining the situation of the juvenile justice system in India, the *Working Group for Children Living in Difficult Circumstances* set up under the 10th Five-Year Plan, established the following requirements for children in need of care and protection⁷: 280 Children's Homes; 308 Observation Homes; 258 Special Homes; 101 After-Care Homes; 410 Child Welfare Committees; 596 Shelter Homes; 315 Juvenile Justice Boards; and 704 Special Juvenile Police Units. **Against this the allocation for "Prevention and Control of Juvenile Social Maladjustment" has come down to Rs. 0.01 crore (Budget Estimates 2005-06) from Rs. 18.25 crore (Revised Estimates 2004-05).**

³ Misra Rajiv, Chatterjee Rachel and Rao Sujatha; 'India Health Report', Oxford University Press, 2003

⁴ Ibid.

⁵ Ibid

⁶ Provisional figures, Census of India 2001.

⁷ Under sections 8, 9, 34, 37 and 44 of the Juvenile Justice Act, the state is obliged to establish and maintain either by itself or in association with a voluntary organisation, Observation Homes, Special Homes, Children's Homes, Shelter Home cum Drop-in- centre and After-Care Homes in every district or a group of districts in the country.