

**Submission to the Committee on the Rights of the Child
For the Day of General Discussion on
“Resources for the Rights of the Child-Responsibility of States”
21 September 2007**

BfC – INDIA’S FINANCIAL COMMITMENTS TO THE CHILD¹

INTRODUCTION

Nineteen per cent of world’s children live in India. They constitute 42 per cent of India’s total population, i.e. more than four in every ten people. With the country having embarked upon an economic model, driven by the free market, incorporating processes of liberalisation, privatisation and globalisation, our children today live in what some describe as ‘Brand India.’ Indeed, “Brand India has replaced the idea of Country India, and in doing so, its complex reality has been flattened into a single digit number – the rate of GDP growth. The dominant symbols of “growth and progress” are glitzy malls, freeways and flyovers, internationally branded clothes and consumer products and the stock market rate. Clearly, drinking water, sanitation, accessible and free quality education, healthcare and social security are no longer indicators, except when the country is reporting on its achievements, especially in international forums”. Even while the country is investing its resources to create India-the global brand, what is its commitment to its children?

Article 4 of the UNCRC states– “State parties shall undertake such measures to the **maximum extent of available resources** and where needed the

There are several reasons why the budget should give priority attention to children in India:

- Nineteen per cent of world’s children live in India. They comprise 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 counts. Children still suffer from poor nutrition, inadequate health services, clean water, sanitation and basic education.
- Children are voiceless and are at a particularly vulnerable stage of life. They do not form a powerful political lobby, and cannot advocate for themselves for more effective delivery of socio-economic services that meet their needs. Thus, the lack of a detailed assessment of how much the government is spending on children inhibits the effective improvement of basic living standards of children.
- Budgetary programmes, specifically socio-economic expenditures, affect the well-being and life opportunities of children directly.
- The well being of the society depends on the investment in its human resource development, particularly development of children and the youth.
- India has ratified the United Nations’ Convention on the Rights of the Child in 1992 and has thus promised to place Children’s Rights at the forefront of development. It promised to give greater priority to children’s concerns than was being given before as part of all its developmental programs.

¹ Prepared by HAQ: Centre for Child Rights as submission for the Day of General Discussion, 21 September 2007

framework of international cooperation” if interpreted holistically would include *financial* as well as *human and other kinds of* resources. How is maximum extent to be determined?

The budgets² of any country are the most solid expression of government's priorities, performances, intentions and decisions because the allocation of resources is determined by the budget of the country. It also reflects the policies and programmes of the government and its commitments to recognising, promoting and protecting the rights of its citizens and fulfilling their needs. In this, the budget of any country is a political statement and reflects the values of the country and its government. An analysis of the budget can therefore enable an assessment of the government's commitment to realisation of the basic needs and rights of its citizenry. Indeed, budget monitoring can be a powerful tool when it catalyses government into taking actions to improve its measures.

An analysis of the budget must be undertaken in the context of:

- The situation or status of the persons for whom it is budgeted
- The context of the constitutional, legal (law and policy) commitments, and the programmes and schemes designed to realise these commitments
- The allocations and actual expenditures

The changes that these measures have in the lives, situation and status i.e. the outcomes achieved, will help assess whether the resources allocated were adequate, appropriate and whether they were optimally used. Over the years budget analysis has come to be used by analysts as an important tool for monitoring state commitment and performance, especially when measured against the outcomes they set out to achieve.

Recognising that budgets are an important tool for monitoring the government's implementation of child rights, HAQ undertook a decadal analysis of the Union (National) Budget from a child rights perspective, which was published in 2001. This submission is based on the work undertaken by HAQ: Centre for Child Rights. Although it reports on other initiatives that have undertaken subsequently, the analysis of budgetary commitments to children is based on HAQ's last analysis of the National (Union) Budget from 2000-01 to 2006-07. As annexure we have presented our analysis of the current budget (2007-08).

Budget for children work in India

HAQ's Initiative

The 90's was a watershed decade for children both in terms of the commitments made, with India ratifying the Convention on the Rights of the Child (CRC) as well as for the significant changes in its economic policies in the wake of structural adjustment. It was

Budget for children is not a separate budget. It is merely an attempt to disaggregate from the overall budget the allocations made specifically for programmes that benefit children.

also the decade that saw several new initiatives for children in the wake of global commitments. On 19 March 1997, India submitted its first report to the UN

² The budget is an estimate of the resources that will be available during a financial year and the object for which the resources will be spent. Budgeting, accounting and financial planning are necessary not only for the administrative needs but also for welfare of people in its broadest sense.

Committee on the Rights of the Child. The Committee's Concluding Observations had stressed on the need for the State Party to take all necessary measures, including allocation of required resources (i.e., human and financial) and ensure appropriate distribution of resources at the central, state and local levels, and where needed, within the framework of international co-operation. It felt that the State Party should develop ways to establish a systematic assessment of the impact of budgetary allocations on implementation of child rights and to collect and disseminate information in this regard.

It was therefore felt that a decadal analysis would enable us to get a more comprehensive picture of government's commitments to children and how they were being translated into financial commitments. HAQ's report, *India's Children and the Union Budget*, was released in September 2001. This was the first endeavour of its kind in the country and it helped in understanding the process of budgeting and establishing the need for such analysis along with developing a methodology for the same. Since then HAQ has been consistently undertaking analysis of the national budget for children every year.

While an analysis of the national budget is important for an understanding of financial commitment to children at the national level, it is not enough because a large share of the allocation and expenditure is made in the states. Recognising that a study of the state budgets also becomes necessary to enable a holistic understanding, HAQ initiated analysis of budgets for children at the state level³.

Other Initiatives in India

Even while the child budget work in India began in 2000 with HAQ: Centre for Child Rights taking on a decadal analysis of the Union Budget., such initiatives in budget analysis were already being undertaken in the country at state level with respect to *dalits*, tribals, rural development etc. However, the focus on children was missing from any such analysis. Samarthan, a Mumbai based NGO, had undertaken an analysis of elementary education in the state in the same period.

In 2000, the Indian Council for Child Welfare Tamil Nadu was the first state to begin work on child budgets at the state level. Initial training to the team to undertake this work was provided by HAQ. They have published their report, *Children of Tamil Nadu and the State Budget, An Analysis: 1998-2003*.

Following HAQ's work on budget for children (BfC), the Ministry of Women and Child Development, Government of India too has decided to undertake regular child budget analysis as an important mandate. Recognising the need for child budgeting, the then Department of Women and Child Development, Ministry of Human Resource Development, included chapters on Child Budget in its Annual Report 2002-03 and 2004-05. The government in both these reports has said that it has based their analysis on "A pioneering effort made by HAQ: Centre for Child Rights...". On 26 of October 2005, the

³ HAQ began child budget analysis work in three states in 2002 in partnership with state level NGOs - Andhra Pradesh (with M.V. Foundation), Orissa (with Open Learning Systems) and Himachal Pradesh (with Himachal Pradesh Voluntary Health Association). HAQ and its partner organisations are currently in the third phase of this work. Presently, it is being undertaken in three more states -Uttar Pradesh, Assam and West Bengal.

Government announced that it would be undertaking child budget analysis as part of its own mandate on a regular basis at the Centre as well in the States⁴. For this it is partnering with UNICEF and Centre for Budget and Governance Accountability.

The Government of India's National Plan of Action for Children 2005 has specifically included a section on Child Budgeting, and states, "Ministries and Departments with specific child budgets and plans should ensure 100 per cent spending and should also enhance budget in view of large child population. Where no overt child budget is available, the demarcation should be made of child budget, spending and monitoring..." (Department of Women and Child Development, which is now a full fledged Ministry).

The World Bank too has drawn on HAQ's methodology for their paper on public spending on the child, which was published in a World Bank report⁵.

However, child budget work is still at a very nascent stage. With more and more actors getting involved in child budget analysis work, it seems necessary to arrive at a common understanding and methodology. Methodological differences also imply difference in the findings, which can defeat the very purpose of using analysis of budget for children for advocacy and as a tool to monitor government's performance.

Budget for Children (BfC)

As mentioned above, any budget analysis becomes pertinent only when set in the context of the situation of the group of persons it is meant for. What then 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"? Clearly not, if despite all its strides in the global market and its advances in GDP rankings, the current situation of the children in this country continues to be reflecting the following:

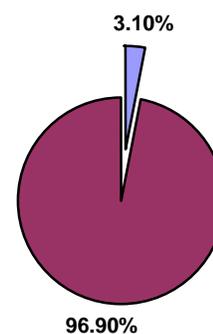
- **Infant and child mortality** continues to be a matter of concern. One out of 16 children die before they attain one year of age, and one out of 11 die before they attain five years of age. 2.5 million children die in India every year; accounting for one in five deaths in the world, with girls being fifty percent more likely to die. The health challenge faced by the newborn child in India is bigger than that experienced by any other country.
- **Low birth weight, underweight and under nutrition** continues to haunt the children. 35 per cent of the developing world's low birth weight babies are born in India. According to the Global Hunger Index, 47.5 per cent children are underweight in India, drought stricken making it worse than the situation in conflict-plagued, and drought stricken Sub-Saharan Africa.
- **Gender discrimination and patriarchy** has resulted in selective birth abortion and infanticide. The **reducing number of girls in the 0- 6 age group causes alarm**. For every 1000 boys there are only 927 females—even lesser in some places.

⁴ Child Budgeting in India. Analysis of Recent Allocations in the Union Budget.

⁵ 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".

- Only 35 per cent births are registered, **impacting the right to name and nationality.**
- **Out of every 100 children, 19 continue to be out of school.** Of 81 who enrol, almost 53 per cent drop out before reaching Class VIII (Elementary level). Of every 100 children who are enrolled 70 drop out by the time they reach secondary level.
- **Despite the promise of education for all, and non-discrimination being recognised as the basis of human rights,** of every 100 children who drop out of school, 66 are **girls**; 46 per cent **children from scheduled tribes** and 38 per cent from **scheduled castes** continue to be out of school as against 34 per cent in the case of others. **Children affected or infected by HIV/AIDS** continue to be denied access to schools.
- **One in every 10 children is born with, or acquires some physical, sensory or mental impairment by the first year of life.** Based on this estimate the world population of disabled children is placed around 140 million, of which 25 million are in India. According to the 2001 Census Report, amongst all persons living with disability, 35.9 per cent (46,38,26,702) are children and young adults in the 0-19 age group. Three out of five children in the age group of 0-9 years have been reported to be visually impaired. Movement disability has the highest proportion (33.2 per cent) in the age group of 10-19. This is largely true of 'mental' disability also. However, **they continue to be deprived access to education and other opportunities as adequate measures for "inclusion" do not exist.**
- India has the second highest national total of persons living with HIV/AIDS after the Republic of South Africa. According to NACO, there were an estimated 0.55 lakh HIV infected 0-14 year old children in India in 2003.
- **Early marriage and motherhood affects the health of adolescent girls** and denies them opportunities in life. 50 per cent of girls in India are married by the age of 18 and become mothers soon after.
- India is home to the **highest number of child labourers in the world**
- Violence and abuse is on the rise. Some argue that it is simply more reported. But its also true that although increased, very few cases of violence and abuse are reported even today. According to the National Crime Records Bureau, there has been an average increase of 12.97 percent during the period 2002-2005 in crimes against children. India has the world's largest number of sexually abused children with a child below 16 years raped every 155th minute, a child below 10 every 13th hour, and one in every 10 children sexually abused at any point in time.
- More subtle forms of violence against children such as child marriage, economic exploitation, practices like the '*Devadas*' tradition of dedicating young girls to gods

Figure 1
Share for Children in the Union Budget
(Average Allocation for 2000-01 to 2006-07)



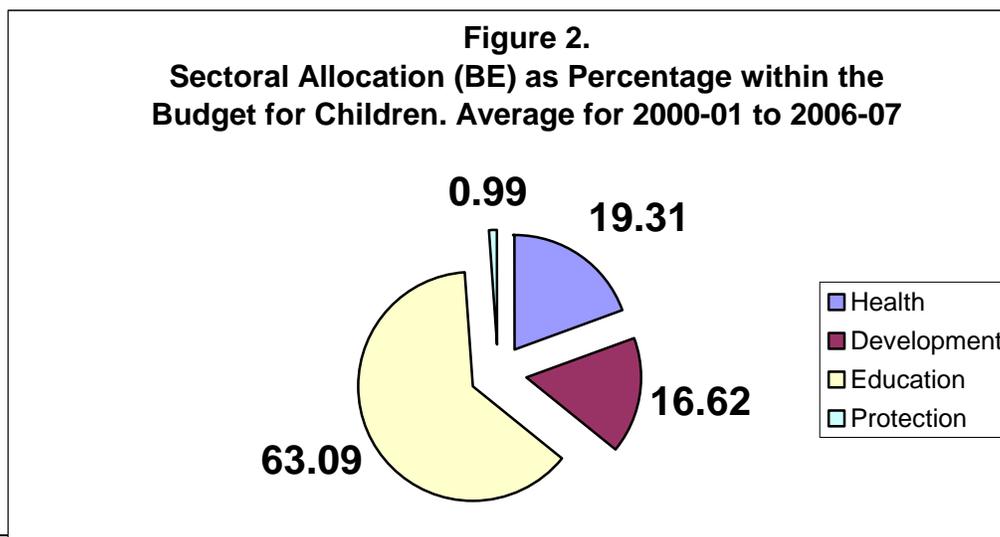
- and goddesses, genital mutilation in some parts of the country, are justified on grounds of culture and tradition.
- **Physical and psychological punishment** is rampant in the name of disciplining children and is culturally accepted.
 - **Forced evictions, displacement** due to development projects, war and conflict, communal riots, natural disasters, all of these take their own toll on children.

Clearly, 3.10 per cent of the total budget being allocated for children (BfC) in India over the last seven years (2000-01 to 2006-07), is not adequate to bring about the needed change in their status. (see table 1).

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Average
Budget Estimates (BE)	2.4	2.3	2.4	2.5	2.8	4.1	5.2	3.1
Revised Estimates (RE)	2.1	2.2	2.1	2.2	2.8	4.2		2.6
Actual Expenditure (AE)	2.1	2.2	2.2	2.3	3.0			2.4

Note: AE is produced in the budget document after 2 years of budget estimates hence the AE is not available for the year 2005-06 and 2006-07.

A sectoral analysis of the budget enables us to map the priorities of the government (see table 2)⁶



⁶ **Development** includes programmes and schemes for early childhood care and education; and other general schemes and programmes that do not fit within any particular sectoral category, but are aimed at the overall development of children. **Health** includes programmes and schemes related to the health care needs of children even while recognising that children will be availing of the general health facilities; **Education** includes elementary and secondary education programmes; **Protection** includes interventions that are aimed at the following groups of children: child labourers; children in need of adoption; child sex-workers; physically or mentally challenged children; homeless or street children; neglected children or those who are treated as juvenile offenders

While the maximum allocation was for education, children's health and protection needs have been largely neglected. Initiatives for child protection (which includes special programmes for children identified to be in especially difficult circumstances) received the lowest share of 0.03 per cent. Although very difficult to disaggregate because a large part of the children's health needs are met by the universal government health facilities, an examination of the budgetary allocation specifically for children shows that children received an average of only 0.61 per cent of the total budget. In the wider context of poverty, disease-prevalence, malnutrition, high mortality and the increase in the number of children coming into conflict with the law, can the neglect of children's health and protection requirements – in financial terms – be justified?

- The most striking factor here is that Budget Estimates for children as a whole, record an average growth of 25.4 per cent over the seven-year period. Within BfC, there is a growth of 18 per cent in the health sector and 18.3 per cent in protection. The development and education sectors record an average growth of 27.3 and 28.2 respectively.
- **At first glance, this growth in BfC appears to be fairly impressive. Closer scrutiny however, causes concern.** For instance, in 2001-02, 2002-03 and 2004-05, allocation for three sectors of the budget for children was actually reduced significantly. In 2001-02, Budget Estimates for the health sector were reduced by 4 per cent in comparison to the previous year. In 2003-04, the protection sector shows a negative annual growth of 7.2 per cent. And the development sector records a reduction of as much as 8.4 per cent in 2004-05. Could there possibly be a satisfactory explanation for the reduction on all three counts?
- The 385.5 per cent increase in the budget for programmes for **child development** over the period under study may seem substantial, but has little meaning when set against the fact that very little has been achieved. Significantly, almost 97 per cent of this budget is for the Integrated Child Development Services (ICDS), which is primarily targeted at the young child through provision of child care facilities, immunisation services and supplementary nutrition. The Government itself has observed that even after 30 years of its existence, ICDS still fails to reach every poor young child. Services under the ICDS scheme presently covered only 34.1 millions children in the age group 0-6 years, which is around 22 per cent of the total children in that age group. Supplementary nutrition too is currently provided to 34 millions children, as opposed to 160 million children. Of these 53 per cent were reported to be undernourished*. The coverage of settlements is also highly inadequate: there are only 6 lakh *angamwadis* (child care centres) in the country, compared with an estimated 17 lakh required for universal coverage based on existing norms (see Annexure for details)^{7**}.

⁷ This information was provided in the Upper House (Rajya Sabha) of Parliament in response to a Starred Question (no. 13, Budget Session of Parliament, 5 July 2004)

**Recommendations on ICDS. (based on deliberations of the National Advisory Council on 28 August 2004) and the Annual Report 2003-04, Department of Women and Child Development, Ministry of Human Resource Development, Government of India

- The **status of health of children** reveals the ocean-wide gap between the needs on-the-ground and the average annual allocation. What makes matters worse in the current scenario – is to do with the serious under-utilization of financial resources. The second important factor is the overwhelming – and quite inexplicable – priorities given to certain schemes. In India, currently, 46.4 per cent children are yet to be immunized for *several* vaccine-preventable diseases. Despite this, nearly 59 per cent of the health sector allocation (within BfC) in 2005-06 was for immunization against polio! The failure of polio eradication has already shown up in several states in the past few years. Is it surprising then, that the goals and targets that India has committed itself to – both nationally and internationally – in terms of health indicators for children are far from being achieved in the next few years?
- Although, the share of **child education** is the highest amongst all other sectors, the **Union** Government funding for education has for the last few decades constituted only 10 per cent to 15 per cent of the total public expenditure on education. India remains “at risk of not achieving the millennium development goal of universalisation of education by 2015” and has already failed to achieve the goals it had set for itself in the Tenth Five Year Plan of -All children in school by 2003; all children to complete 5 years of schooling by 2007; investment of US\$ 1223 million - 1333 million (Rs. 55-60 thousand crore) over 5 years.
- The budget for **child protection** largely addresses two very specific categories of children in difficult circumstances – child labour and children that fall within the purview of the juvenile system, either as street children or as children in conflict with law or children requiring alternative care such as adoption. There is little reflection of all other categories of children in difficult circumstances. A considerable proportion of the child protection allocations are for the National Child Labour Project (60.41 per cent). In 2005-06, this was as high as 70.86 per cent of the budget estimates. Efforts for elimination of child labour are dependent on financial assistance from donors. Recognising this gap, the government has initiated the Integrated Child Protection Scheme in the current budget (2007-08), which will begin as a pilot scheme in a few selected districts.
- According to the Ministry of Home Affairs, **16 out of 28 states in India faces internal armed conflict**. Children growing up in these states are vulnerable to violence and atrocities by both state and non-state parties. The Government recognises children affected by conflict as children in difficult circumstances. In 2000-01, there is a sudden allocation of US \$2222 (Rs. one lakh) made for the Care and Protection of Vulnerable Children in Assam, one of these 16 states facing conflict. It is not clear why this allocation has been made. **However none of which was spent. No other state has received any special assistance for such children.**

- **What is a matter of even greater concern is that under-spending the financial resources provided for children is a recurrent feature.**

The actual expenditure (AE) in all the years has been less than the allocations. Clearly, even the small budget share for children remains

“Either the projected allocation has not been based on a scientific assessment or failure of the implementing agencies in reaching the targeted beneficiaries. Both the situations need serious review/rethinking of implementation process of such schemes....”

Department-Related Parliamentary Standing, Committee on Health And Family Welfare, Eighth Report

unspent. Across the four sectors within BfC, under-utilization of resources stands at an average of 1.57 per cent during the period of study for which figures are available. What may appear to be a small amount when taken as a percentage, actually comes to millions of rupees in absolute terms. Moreover, within the BfC certain sectors have always shown under-spending, these being health and protection. **This under-utilization of funds – a recurrent feature that prevents the benefits of financial allocation from reaching children – is a serious matter that often gets glossed over. It goes without saying that either the schemes are over budgeted or the implementation is poor.**

- The education and development sectors show a small percentage of over-spending, AE over BE. The protection sector, which gets 3 paise out of every Rs. 100 in the Union Budget, presents an under-spending of 15.23 per cent
- While there is a visible over-spending in the overall development sector, it is important to highlight that there is under-spending in some of the development schemes significantly affected the outreach of services meant to be provided. For instance, the Rajiv Gandhi National Creche Scheme which was initiated to meet the growing need of child care services for children of working mothers, has always shown an under-spending. On an average there is 27.53 per cent under-spending in this scheme, while the number of women workforce is on the rise and so is the need for services for their children. Further, between 2000-01 and 2004-05, there has been under-spending in the World Bank assisted Integrated Child Development Services Scheme (ICDS) every alternate year. In 2003-04, the Actual Expenditure for the overall ICDS was 11.08 per cent less than the Budget Estimates, reasons for this can be traced to the slow pace at which projects became operational, and a large number of vacancies (of ICDS functionaries) that remained unfilled by the states. The much talked about National Commission for Children was being provided with a small budget since the year 2000-01, while it has only been set up in 2007. Clearly therefore, there was no spending against the funds being allocated for it. In fact, now when the Commission has finally been set up, it does not even find a mention in any of the budget documents.
- The health sector, with the least average annual growth, shows maximum under-spending at 22.41 per cent, AE over BE. Further scrutiny of government documents reveals that this has happened primarily due to under-spending (22.27 per cent) in the Reproductive and Child Health (RCH) programme, which includes the National Immunization Programme.

Not insignificantly, the RCH programme gets an average of 95 per cent of the resources provided for the health sector.

- The average under spending (AE-BE) of 15.23 per cent in the protection sector for the period 2000-01 to 2004-05, is a reflection of the low priority that child protection receives. The highest under spending of 24.78 per cent was in the year 2002-03 (AE-BE), while in the preceding year this was 13.48, and in the year 2000-01 it was 12.22 per cent.

Dependence on External Aid

Even while it has come to be accepted that countries must draw upon all available sources for funding socio-economic initiatives, including external aid through grants and loans, is this dependence on external resources healthy and desirable? Dependence on external aid lays countries open to sanctions and withdrawal of funds, and changes in global priorities for funding, impacting availability of resources and thus delivery of programmes. It is clearly the children who have to bear the brunt.

A committee of the government of India had recognised some of the problems faced in 1999 when it was examining the situation with respect to international assistance for education. However, these concerns are as valid for other sectors too.

WHAT HARM CAN EXTERNAL AID DO?

It has been found, however, that the induction of international assistance sometimes results in several problems in implementation:

- 1) As there is some flexibility in the operation of the foreign assisted programmes, these are more popular.
- 2) The foreign funding agencies insist that the projects assisted by them should be operated by separate agencies headed by separate co-ordinators at central and state level, and this creates a diarchy right in the middle of any programme of this country.
- 3) Highly paid consultants, high wages, access to perquisites like cars, computers, foreign tours etc. for individuals working in foreign funded projects lead to bad blood among colleagues and affect the working environment and output negatively.
- 4) At the district level, education department officials get sidelined in the discussions while the collectors and officials of foreign funded programmes take an active role.

(Based on the Report of the National Committee of State Education Ministers Under The Chairmanship Of the Minister of Human Resource Development. "To Develop The Structure And Outlines Of Implementing Universal Elementary Education In A Mission Mode". July, 1999. MHRD GOI.)

- As much as 24.1 per cent of the allocations for children is through external financing⁸. The financial dependence on external sources has increased from 19.18

⁸ This does not include funding support received for protection sector, since the funding for Child labour elimination programmes, which that receive external funding within protection sector, are through direct partnerships between the funding bodies and implementing agencies or state governments, they do not find reflection the budget of the National Government (Union Budget).

per cent in 2000-01 to over 28.4 per cent in 2003-04, falling to about 22 per cent in 2005-06. If analysed sectorally, 11.4 per cent of the allocations for child development, 19 per cent of education and 51 per cent of health is from external sources.

- This high dependence on external financing has to be seen against the fact that debt servicing as a proportion of gross external current receipts are 10 per cent and India has been eighth in position among the ten debtor countries in 2004.
- The flagship programmes for children in India are the Integrated Child Development Services, the Sarva Shiksha Abhiyaan (Education for all Campaign), Mid-day meal, and the intervention for health undertaken under the Reproductive and Child Health Programme. All of these are dependent on external aid, financed through soft loans or grants⁹.
- The Union government's input for Sarva Shiksha Abhiyan (SSA) was to be partly financed – to the extent of 30 per cent – by external agencies in the form of soft loans and grants. Therefore, for the period between 2003 and 2007, 45 per cent of the financial resources for SSA were to be put in by the Union government, 25 per cent by the respective state government, and 30 per cent was to come from the World Bank's International Development Association (IDA) and the Department for International Development (DFID), UK. It is the poor utilisation of these resources that has drawn the attention of the Government's own auditing - Audit noticed that during 2003-04, external assistance to the tune of Rs. 2866.5 million was received from DFID (Rs. 1649 million) and the European Commission (EC) (Rs. 1217.5 million). Against the reimbursement claims amounting to Rs. 5805 million lodged during 2004-05 with IDA (Rs. 2786.4 million), DFID (Rs. 1915.6 million) and EC (Rs. 1103 million), the claim of Rs. 1103 million was outstanding as of December 2005. More effective monitoring and follow up would have enabled the Ministry to avail of the reimbursement of Rs. 1103 million much before December 2005, which would have helped in enhancing the coverage of SSA¹⁰.
- While relying on external aid and other private sector financing for investment on critical sectors such as health poses a serious question by itself, absence of planning and provision for all child health concerns including assessment and monitoring of disease burden among children, child disability and health for children in emergency situations or children in institutions, unaffordability of basic medicines and poor access to health services, continue to pose challenge.
- The initiatives for elimination of child labour – the International Programme for Elimination of Child Labour (IPEC) was supported by the ILO, and the ILO Assistance for State-based Project in Andhra Pradesh, Karnataka Project funded by the Government of Italy, Indus Project funded with support from the US Department of Labour and implemented by ILO¹¹; GOI – UNICEF Joint Master Plan. Since the funding for these programmes is through direct partnerships between the funding bodies and implementing agencies or state governments, they do not find reflection in the budget of the National Government (Union Budget).

⁹ 11.4 per cent of ICDS; 32.79 per cent of Sarva Shiksha Abhiyaan; and 95 per cent of RCH is from external sources

¹⁰ Report of the Comptroller and Auditor General. Report No. 15 of 2005-06. page 8

¹¹ The Government of India and the have initiated a US\$ 40 million project aimed at eliminating child labour in 10 hazardous sectors across 21 districts in five States namely, Maharashtra, Madhya Pradesh, Tamil Nadu, Uttar Pradesh and NCT of Delhi.

Conclusion

The UN Committee on the Rights of the Child as part of its last Concluding Observations¹² had said:

1. *While noting the efforts undertaken to increase the budget allocation for some social services, the Committee is concerned at the slow increase of the budget allocations for education and at the stagnation or even the decrease of expenses allocated to other social services.*

2. ***The Committee recommends that the State party:***

(a) *Make every effort to increase the proportion of the budget allocated to the realization of children's rights to the "maximum extent ... of available resources" and, in this context, to ensure the provision, including through international cooperation, of appropriate human resources and to guarantee that the implementation of policies relating to social services provided to children remain a priority; and*

(b) *Develop ways to assess the impact of budgetary allocations on the implementation of children's rights, and to collect and disseminate information in this regard.*

Clearly, the matter of adequacy of the resources being allocated and spent on children remains a matter of serious concern, especially in context of the worsening situation of children in the current scenario, with its stress on global markets and privatisation of basic services. Is the State making the effort to ensure that it is investing resources to the maximum extent possible? Let us examine this with an example. In his budget of 2004-05, the Finance Minister announced a 2 per cent cess on all central taxes that was to be invested into ensuring education for all. If this were to be the case, an additional amount was to be visible in the next budget on elementary education, assuming the collections from the cess would be in addition to what the government was putting in from its own resources. But what one found in the budget of the following year was a short fall and not an increase despite the collections made with the cess. A similar situation was observed in the current budget (See Annexure 1).

Whether the resources allocated are appropriate to the needs of the children, is another question that needs further examination. And our analysis shows that it is not. How else can one explain such low allocation and spending on health despite the obvious need? And even within health, the neglect of other preventable vaccines?

Dependence on external resources for the basic needs of children definitely continues to concern us despite the CRC provision, as well as the UNCRC Committee's recommendations for accessing 'international resources'. This is because we believe that the fate of children cannot be left to the vagaries of global politics and priorities and the resultant economic changes.

The increasing lack of transparency in budget for children is very evident when we analyse the state budgets. For example, state budgets do not reflect the budget for

¹² CRC/C/15/Add.228 30 January 2004

Reproductive and Child Health (RCH) Programme and the National Child Labour Projects (NCLP), since funds are directly released to RCH societies/NCLP societies set up in the states to implement these programmes. An analysis of a state's commitment to its children thus becomes difficult. In fact, most programmes for children are now being designed and packaged similarly, causing serious concern on transparency in financial matters as well as government's accountability. Even if the Ministry of Women and Child Development decides to make child budget analysis a regular feature, unless our externally aided flagship programmes are designed to build in measures for ensuring transparency and accountability, the situation of children is unlikely to change for the better.

ANNEXURE 1

BUDGET 2007-08 AND CHILDREN

A FIRST GLANCE

"The education and health sectors will also receive substantial funds. In 2007-08, I propose to enhance the allocation for education by 34.2 per cent to Rs. 32,352 crore and for health and family welfare by 21.9 per cent to Rs.15,291 crore."

Budget 2007-2008, Speech of P. Chidambaram *Minister of Finance* February 28, 2007

Nineteen per cent of world's children live in India. They comprise 42 per cent of the country's total population. Over the last decade, India, like many other countries across the world has embarked on a course of changing its existing economic models in favour of one driven by the free-market, incorporating processes of liberalisation, privatisation and globalisation. India today on this path to economic growth is the 10th highest GDP country in the world. " **The biggest plus is that the growth rate of GDP has improved from 7.5 per cent in 2004-05 to 9 per cent (Quick Estimate) in 2005-06 and, according to Advance Estimate, to 9.2 per cent in 2006-07**", says Mr. Chidambaram.

But we are also a nation that ranks first on many other fronts...

...in the number of child labour, the number of sexually abused children, the number of malnourished children, the lowest sex-ratio, the health challenge faced by the new born child. India is also home to one of the largest illiterate citizenries in the world. Perhaps we have the dubious distinction of ranking first on many other such horrifying fronts as well.

QUICK COMMENTS ON UNION BUDGET 2007-08

- Of every 100 rupees in the Union Budget 2007-08, only 4 rupees and 84 paise has been promised by the Finance Minister for children. The finance minister has reduced the allocation for children this year. While he had allocated 4 rupees and 90 paise last year, despite all the claims to increase in the social sector budget, particularly education and health, the child's share has clearly gone down by 1.23 percent. When translated into crores, it surely is a substantial amount. Has the situation of children improved in one year to warrant this reduction?
- Within the child budget, the share of education and child protection has indeed increased when compared to child health and child development. Out of Rs. 32958.33 crore promised to the children of the country, the share of development is 16.65 percent; health is 10.02 percent, protection 0.92 percent and education 72.4 per cent. However, as is evident, with only education receiving maximum attention, the Government has once again failed to focus on the child holistically.
- On October 26, 2005 in a meeting of State Secretaries organised by the Ministry of Women and Child Development, the government promised that it would henceforth undertake Child Budgeting. This was also earlier announced in the National Plan of Action for Children, 2005. The Finance Minister either seems to have forgotten all about it or it was perhaps a

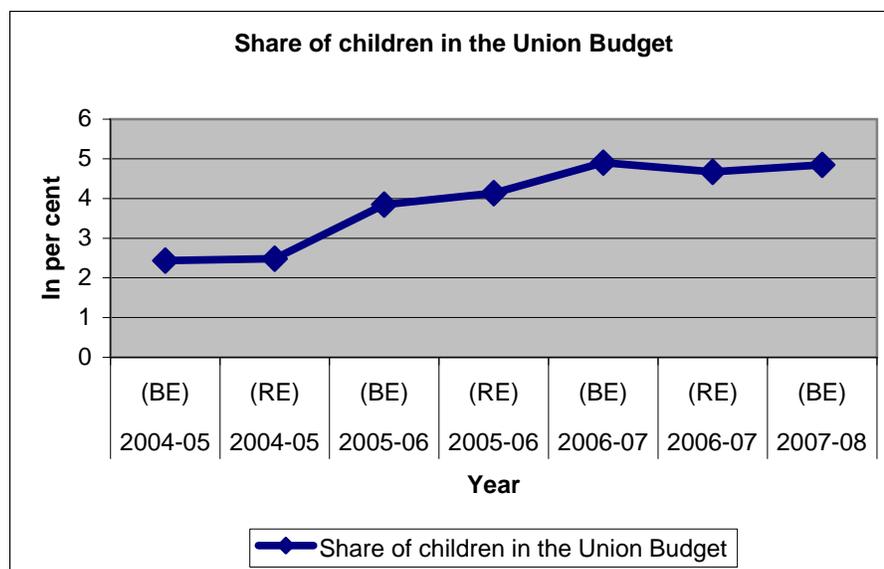
deliberate omission. Clearly, while he does recognise and promote gender sensitivities of budgetary allocations, children are yet to become a priority.

- In a scenario where our children are plagued by malnutrition, rising cases of polio and increased disease burden, the fall in allocation for their health is a matter of deep concern. The allocation for child health has fallen from 0.55 per cent in 2006-07 to 0.48 percent this year. It is even less than what was allocated two years ago i.e. in 2005-06 (0.52 percent). As it is, 80 per cent of the total health care costs are met through private expenditure and most of the private expenditure is out-of-pocket (nearly 97 per cent). It is therefore imperative to ask what impact this fall in allocation for child health will have on a family's expenses?
- There is an increase of Rs. 673.46 crore in the allocation promised by the Finance Minister for ICDS. However, this is still not enough to meet the Supreme Court's directives of universalisation of ICDS in all 17 lakh habitations. There was already a short fall of 8.2 lakh Anganwadi centres at the beginning of 2007-08 with only 8.8 lakh operational Anganwadi centres. An additional allocation of Rs. 673 crore is certainly not enough to meet this requirement.
- In fact, the promised allocation of Rs. 4761 crore is not sufficient to meet even the cost of present number of operational Anganwadi centres. How then does the Finance Minister plan to run an additional number of 107274 Anganwadi centres and 25961 new mini- Anganwadi centres ($107274 + 25961 = 133235$) sanctioned in the current budget? On a simple calculation, if we divide the increase of Rs. 673.46 crore in the ICDS allocation this year into the sanctioned number of 133235 centres to be established, only about Rs. 51 thousand seems to have been allocated per centre per year. Further, dividing the amount by 12 months, it comes to only Rs. 4209 per centre per month. Is this really sufficient, given that in August 2004 the National Advisory Council had recommended Rs. 74,016 per centre per year and later in December 2004 the Supreme Court had directed that the amount should be doubled. In such circumstances, it is indeed difficult to even imagine that this amount could ever be sufficient to meet the expenses of salary of Anganwadi workers and reach out to pregnant and lactating mothers?
- According to the Finance Minister's speech, the increase in allocation for ICDS is on account of additional Anganwadi centres. What then happens to maintenance of the existing centres and an even larger issue of ensuring quality?
- The minimal increase of 0.01 per cent that we see in protection of children is largely due to introduction of the much-awaited Integrated Child Protection Scheme (ICPS) that has been introduced in the current budget with an allocation of Rs. 85.5 crore. Child protection constitutes 0.04 per cent of total Union Budget 2007-08. However, the only Programme for Juvenile Justice once again sees a fall in resource allocation. While the Programme for Juvenile Justice (Prevention and Control of Juvenile Social Maladjustment) was a centrally sponsored scheme covering the entire country, ICPS is only a pilot programme for a selected few States. Given this situation, how does the Finance Minister envisage implementation of juvenile justice throughout the nation? Isn't one Nithari enough to realise the need for investing adequately on children's protection?
- While the Parliament passed the National Commissions for Protection of Child Rights Bill in 2006, there is nothing in the budget speech to suggest how it is to be implemented? Where are the resources for the Commissions going to come from? Hope it is not part of the ICPS

as that will further reduce the budget for programmatic intervention on justice and protection for children.

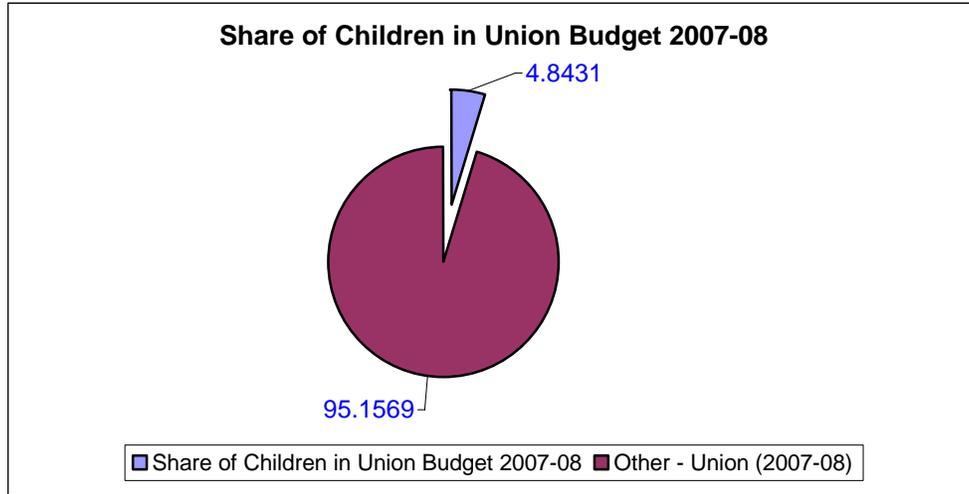
- While the total allocation for education has increased by 34 per cent this year, the share of child education (elementary and secondary education) has only gone up by 21.34 percent. The increase of 10.26 percent in allocation for elementary education is primarily due to the increase in the budget for mid-day meal scheme, resulting from a higher investment of the amount collected through the education cess. As regards SSA and DPEP, government's flagship programmes on universalisation of elementary education, there is actually a fall in the allocation.
- Mr. Chidambaram has promised to provide Rs. 10671 crore to SSA. However, an analysis against the allocation for SSA at the BE stage in 2006-07 shows a decrease of Rs. 329 crore (it was Rs. 11000 crore in 2006-07 and has declined to Rs. 10671 crore this year). Even when compared to the Revised Estimates of 2006-07, there is a decrease of Rs. 433 crore in the promised allocation for SSA this year. This is despite a merger of Kasturba Gandhi Balika Vidyalaya (Rs. 128 crore) and DPEP (Rs. 120 crore) with SSA.
- The emphasis laid by the Finance Minister on teacher training is commendable. But the increase in the budget for strengthening teacher-training institutions looks hypothetical when measured against the decrease in the budget for SSA, which already has an inbuilt teacher-training component.
- Moreover, despite a seemingly visible commitment towards education, the Finance Minister seems to have reduced the government's share (other than education cess) in the allocation for SSA. The allocation promised for SSA from sources other than the education cess was Rs. 5169 crore in 2006-07. But in 2007-08, it has been cut down to only Rs. 3678 crore. Hence, the overall increase in allocation for education has in fact meant a cut in allocation for elementary education of at least Rs. 1491 (5169 – 3678) crore. Even according to Government's own estimates, 1.34 crore children in the 6-14 age group are still out of school. Moreover, the Finance Minister has committed to increase the number of teachers as well as classrooms by appointing 200,000 more teachers and constructing 500,000 more classrooms this year. Will the reduced SSA allocation be enough for ensuring all this and giving every child in the 6-14 age group their fundamental right to education?
- In the very first year of the XI five year plan, the share of Central grant in Sarva Shiksha Abhiyan will reduce on the basis of 50:50 Union-State share ratio as against the 75:25 norm followed in the Xth Plan period. Given that many states have not been able to meet the 25 percent share for SSA as per the Xth plan norms, the question arises whether the states will ever be able to bear the increased cost of SSA with a matching state share?

Share of Children in the Union Budget							
	(Rs. Crore)						
	2004-05 (BE)	2004-05 (RE)	2005-06 (BE)	2005-06 (RE)	2006-07 (BE)	2006-07 (RE)	2007-08 (BE)
Child Development	2017.93	2040.06	3385.35	3371.38	4682.41	4687.63	5489.44
Child Health	2021.21	1576.71	2709.40	2806.72	3133.54	2649.33	3301.03
Child Protection	159.51	152.87	176.11	172.79	192.36	183.53	304.86
School Education	7487.85	8844.92	13570.15	14716.79	19666.27	19700.45	23863.00
Child Budget	11686.5	12614.56	19841.01	21067.68	27674.58	27220.94	32958.33
Percentage Share of children in Union Budget	2.438	2.484	3.848	4.136	4.899	4.6729	4.8466
Union Budget	477829.04	505791.41	514343.8	508705.4	563991.1	581637.04	680520.51

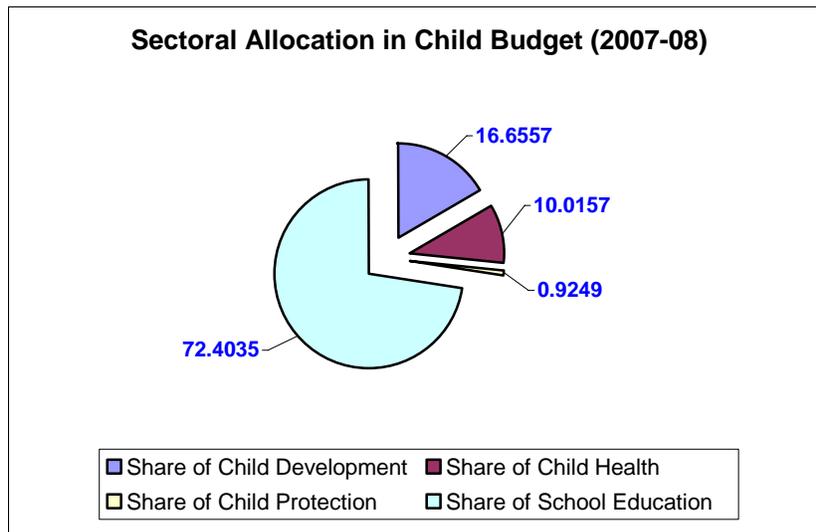


CHILD BUDGET - 2007-08

Share of Children in Union Budget 2007-08	In per cent
Share of Child Development in Union Budget	0.8066
Share of Child Health in Union Budget	0.4851
Share of Child Protection in Union Budget	0.0447
Share of Child Education in Union Budget	3.5065
Share of Children in Union Budget	4.8431
Source: Expenditure Budget Volume II, 2007-08	



Share of Specific Sector in Child Budget	In per cent
Share of Child Development	16.6557
Share of Child Health	10.0157
Share of Child Protection	0.9249
Share of School Education	72.4035
Source: Expenditure Budget Volume II, 2007-08	



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