



**CHILDREN OUT OF FOCUS...**

**INTERIM BUDGET AT A GLANCE  
2009-10**

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## No Cheer for India's Children in 2009-10<sup>1</sup>

Extraordinary 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 per cent 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 per cent of the Budget in 2008-09, which declined sharply to 4.22 per cent in the revised figures for 2008-09 even as general

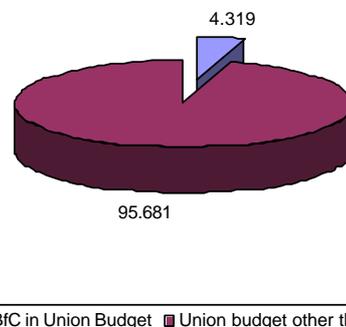
### A Budget Statement for Children

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.*

BfC as percentage of Union Budget 2009-10



<sup>1</sup> Prepared by Paromita Shastri, Enakshi Ganguly, Madhumita Purkayastha and Indarilin Dkhar.

government expenditures went up, the total share of children in this year's Interim Budget has gone down sharply to only 4.32 per cent. This decline has been sharp and across the board. As the table below 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.

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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 per cent in 2009-10, although a new scheme called the Rashtriya Madhyamik Shiksha Abhiyaan 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.

<b>Share of Children in Union Budget (per cent)</b>	<b>2008-09 (BE)</b>	<b>2008-09 (RE)</b>	<b>2009-10 (BE)</b>
Share of Development Sector, BfC in Union Budget	<b>0.87</b>	<b>0.72</b>	<b>0.72</b>
Share of Health Sector, BfC in Union Budget	<b>0.54</b>	<b>0.46</b>	<b>0.42</b>
Share of Protection Sector, BfC in Union Budget	<b>0.06</b>	<b>0.03</b>	<b>0.03</b>
Share of Education Sector, BfC in Union Budget	<b>3.81</b>	<b>3.01</b>	<b>3.15</b>
<b>BfC in Union Budget</b>	<b>5.28</b>	<b>4.22</b>	<b>4.32</b>

### **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% increase.

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 per cent 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.

*Budget for tackling child labour in the Ministry of labour halved.*

*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 per cent 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 per cent. 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 Meals Scheme**, which now covers all

*In 2009-10, outlay for the moderately successful Mid-day Meals Scheme, which now covers all school children in classes I to VIII, remains exactly the same as before.*

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.

### WHO Norms help ICDS

The only scheme that has bucked the trend of neglect is the **Integrated Child Development Scheme (ICDS)**. It has actually has seen a small rise in its outlay in 2009-10, by 6.3 per cent to Rs 6705 crore. In an effort to universalize ICDS, as part

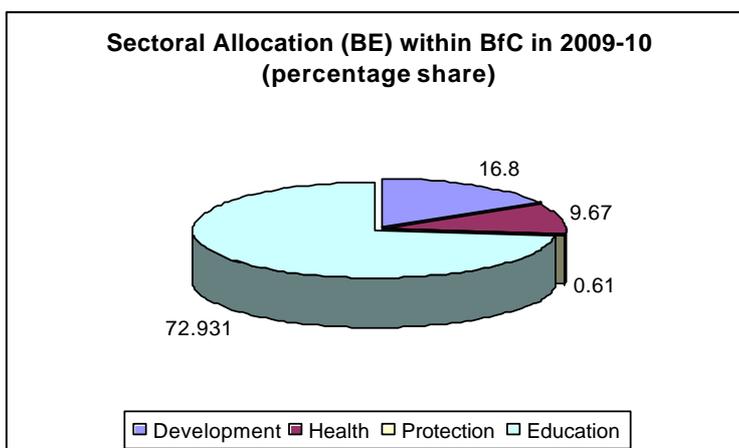
*There has been a 6.3 per cent increase in the allocation for ICDS. The extra money would hopefully go some way in meeting this deficit of 10.7 lakh Anganwadis, leaving thousands of children uncovered.*

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 per cent 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 child growth standards from the next fiscal year for monitoring growth of children under this scheme.

### 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**, 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 and a Child Welfare Committee 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.

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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 the 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 per cent growth in 2009-10, the new government must be prepared to spend an additional amount equivalent to 0.5 to 1 per cent 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 per cent 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 per cent 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.