

Union Budget: A Window of Opportunity for Our Children?

Budget for Children 2017-18



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Introduction

"The budget is not just a collection of numbers, but an expression of our values and aspirations" and the Union Budget 2017-18 once again gives us an opportunity to look at how the government of the day looks at children and their development. Whether it is the overall allocation within the budget or for specific sectors like health, development, education and protection, or flagship programmes, do they cater to the needs of the future of our country.

As part of financial reforms to improve the country's economic situation, the government has made structural changes in this year's budgeting exercise – the Plan and Non-Plan distinction have been dispensed with and the budget has been classified under revenue and capital heads. The Budget session of the Parliament was preponed and the Railway Budget has been subsumed in the General Budget. The Statement 22, initiated in 2008, earmarking the allocation for the welfare of children, has been renamed as Statement 12 in the Union Budget 2017-18.

The NDA government presented its fourth budget on 1st February 2017, putting forth its agenda of "Transform, Energise and Clean India" – TEC India. It seeks to transform the quality of governance and quality of life of our people; energise various sections of society, especially the youth and the vulnerable; and clean the country from the evils of corruption.

India is home to 472 million children in the age group of 0-18 years constituting almost 39 per cent of the nation's population¹ and yet they received a mere 3.32 per cent of the total financial allocations in 2017-18. Although the government smartly shifted its responsibilities to finance social sector schemes to the States in the wake of the 14th Finance Commission Recommendations, the hurriedness with which these recommendations were introduced unfolded in raising serious questions from all the corners. Along with experts, activist community and economists, States too questioned this very step at various platforms.

The Devolution Saga...

The **Statement 22** (a separate budget statement on children related scheme) of 2015-16 Union Budget, explained "the heavy cuts towards children specific Centrally Sponsored Schemes (CSS) on account of **enhanced devolution of Union Taxes to States** as recommended by the Fourteenth Finance Commission (FFC) and to keep the Budget for such programmes unchanged, States are to contribute from their enhanced resources"². The FFC recommended that share of the states in the divisible pool of taxes should be increased to 42 per cent from 32 per cent.

While, in principle, the Devolution of Central taxes to States is an ideal arrangement, there are major concerns - the States' revenue is not going to increase multiple folds, the weaker States are not equipped to generate resources on their own and it is feared that children related schemes would not form core of the State agenda. Thus in order to fulfill the National Development Agenda, States cannot be left on their own without significant support from the Central government.

In last year's budget, the CSS, including schemes for children, received nine paisa out of a Rupee whereas the allocation this year is 10 paisa per Rupee. (http://www.indiabudget.nic.in/ub2017-18/bag/bag1.pdf)

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¹ Census 2011

² Excerpts from Statement 22; Expenditure Budget Volume I 2015-16

The Global Context...

In the global scenario, the world has shifted its focus from Millennium Development Goals to Sustainable Development Goals (SDGs) and India has agreed to be a part of it. There are in total 17 goals prescribed under SDGs and particularly, Goals 1, 2, 3, 4 and 5 need urgent attention in the present context.

In this context, it is quite imperative to say that the Government Budgets are the only powerful tool to show their willingness to

Goal 1 Goal 2	End poverty in all its forms everywhere End hunger; achieve food security and improved nutrition, and promote sustainable agriculture
Goal 3	Ensure healthy lives and promote well being for all at all ages
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5	Achieve gender equality and empower all women and girls

reduce such inequalities and cutting out a clear map of achieving the SDGs. In the context of social sector and particularly for children, the Union Budgets have disappointed the marginalized community and the Union Budget 2017-18 further pushed its children to the periphery through severely reduced allocations. This year too, the Union Budget has not given much hope to children as the allocated resources do not match the current needs of children.

Key Highlights of Budget for Children 2017-18

- ➤ Despite various national and international commitments and promises of inclusive growth, children receive only Rs. 3.32 in the Union Budget 2017-18.
- > The share of children in the Union Budget 2017-18 has remained the same as 2016-17.
- Education saw an increase of six per cent in absolute terms. Despite this increase to Rs. 50300.53 Crores in 2017-18, it has failed to reach the amount allocated for the schemes/programmes in 2014-15 of Rs. 58544.42 Crores prior to devolution. Moreover it is a concern that its share has fallen from 2.40 per cent to 2.34 per cent within the Union Budget.
- ➤ Child Development has received a 13.32 per cent increase in allocation in 2017-18. As a share of the Union Budget it has gone up from 0.77 per cent to 0.80 per cent.
- Child protection received more attention with a 55 per cent increase from last year (2016-17). Despite this, the share in the Union Budget has increased from a meager 0.03 per cent to 0.05 per cent.
- ➤ ICPS, the flagship programme, received Rs. 648 Crores in 2017-18, an increase of 63 per cent from last year's Rs. 397 Crores (2016-17) and 61 per cent from 2015-16.
- ➤ One of the flagship schemes to fulfill the nutritional needs of young children ICDS, remains under resourced with Rs. 15245.19 Crores allocation.
- India's overall public health expenditure is just 1.2 per cent of its GDP as against the WHO standard of at least three per cent of GDP. Child health continues to have the same allocation as

last year, a meagre 0.12 per cent share in the Union Budget 2017-18. Although in absolute terms there is an increase in 13.46 per cent.

There are heavy cuts in some of the key schemes/programmes:

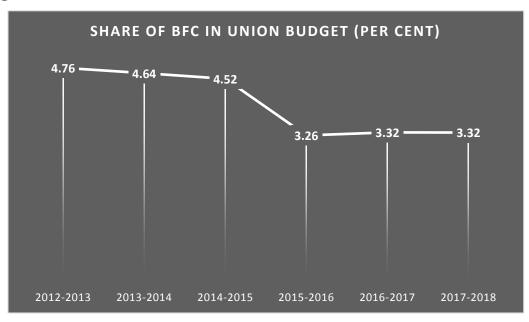
Scheme/ Programme	2016-17 BE	2017-18 BE	Percentage decrease
Pre-Matric Scholarships for SCs	495.00	45.00	91%
National Programme for Youth and Adolescent Development	35.00	18.00	49%
Upgradation of Merit of SCs Students	3.00	2.00	33%
Scheme for Welfare of Working Children in Need of Care and Protection	3.00	2.00	33%
Manufacture of Sera and BCG Vaccine	132.00	91.07	31%
World Bank Assisted ISSNIP	450.00	400.00	11%

➤ Interestingly, many of the schemes/ programmes have shown substantial increase in allocations compared to Union Budget 2016-17:

Scheme/ Programme	2016-17 BE	2017-18 BE	Percentage increase
National Means Cum Merit Scholarship Scheme	35.00	282.00	706%
National Scheme for Incentive to Girl Child for Secondary Education	45.00	320.00	611%
Girls Hostel for SCs	4.00	15.00	275%
National Nutrition Mission	360.00	1100.00	206%
Beti Bachao Beti Padhao	100.00	200.00	100%
Integrated Child Protection Scheme	397.00	648.00	63%
Assistance to Voluntary Organisations for OBCs (Deptt. of SJ and E)	0.60	1.50	60%

- In Statement 12, the overall allocation for children under the Department of Health and Family Welfare has increased by 13.46 per cent.
- ➤ The overall allocations for children related schemes/ programmes under the Department of Social Justice and Empowerment has shown a decrease of 37.18 per cent from Rs. 1017.05 Crores to Rs. 638.93 Crores.

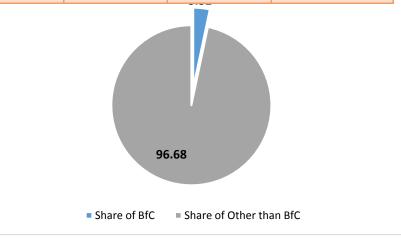
Budget for Children 2017-18 in Detail...



Sectoral Share in Union Budget (in per cent)					
Year	Health BE	Development BE	Education BE	Protection BE	Other than BfC
2013-2014	0.16	1.10	3.34	0.03	95.36
2014-2015	0.16	1.06	3.26	0.04	95.49
2015-2016	0.13	0.51	2.57	0.05	96.74
2016-2017	0.12	0.77	2.40	0.03	96.68
2017-2018	0.12	0.80	2.34	0.05	96.68

Children have received 3.32 per cent resources of the total Union budget in 2017-18. This remains same as the allocation in the Union Budget last year.

Despite the recognition of child rights reflected in various national as well as international documents, the budget for children has had inconsistent financing over the years. Government of India's own



submission in its third and fourth combined periodic report to the **United Nations Committee on the Rights of the Child (UNCRC)** has accepted that "many of the outcome indicators for children point to the disadvantaged status of children; the proportion of Child Budget in the Union Budget seems inadequate".

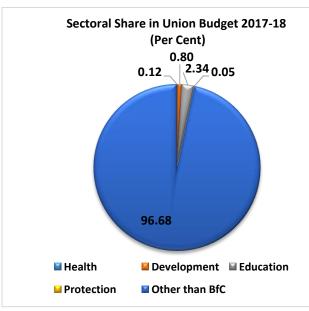
This concern has been resonated by the concluding observations made by the UNCRC on 13 June 2014, based on India's report presented to the Committee on 3 June 2014 in Geneva. "The budgetary allocations do not adequately take into consideration child protection needs. There is also mismanagement of allocated resources, a problem which is exacerbated by a high level of corruption and the lack of effective monitoring and evaluation systems" says the Committee in its observations on India³.

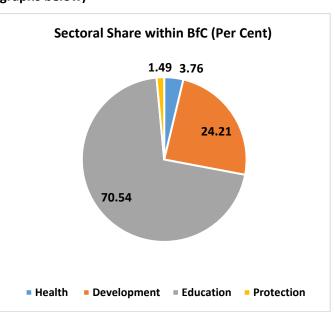
Share of BfC in Union Budget (in per cent)				
Year	BE	RE		
2013-2014	4.64	4.56		
2014-2015	4.52	4.16		
2015-2016	3.26	3.62		
2016-2017	3.32	3.29		
2017-2018	3.32	NA		

A Glimpse of Sectoral Allocations in BfC 2017-18...

³ Full document available on

Following the previous trends, despite almost 55 per cent increase in the child protection sector, it remains heavily under resourced this year too. This must be seen in the context of the major amendments in the Juvenile Justice (Care and Protection of Children) Act, the current allocations are far away from meeting the requirements. Similarly, child health and child development remain to be nominally resourced and their share in both Union budget and within BfC, do not indicate towards major changes in the current scenario. (See graphs below)





Sectoral Share in Budget for Children (BfC) (in per cent)				
Year	Health BE	Development BE	Education BE	Protection BE
2013-2014	3.42	23.79	72.07	0.72
2014-2015	3.59	23.36	72.21	0.78
2015-2016	3.93	15.74	78.95	1.38
2016-2017	3.59	23.23	72.14	1.04
2017-2018	3.76	24.21	70.54	1.49

SECTORAL ANALYSIS IN DETAIL

Child Health

In 2017-18, the share of child health stands to be a mere 0.12 per cent of the total Union Budget. Although there has been an inconsistent trend in financing the health sector for children, with the figures going up and down in the previous years, the needs of child health have remained

Share of Child Health (BE) in Union Budget and Within BfC (Per Cent) **3.76** 3.77 3.93 3.59 3.59 3.42 0.18 0.16 0.16 0.13 0.12 0.12 2012-2013 2013-2014 2014-2015 2015-2016 2016-2017 2017-2018 → Within BfC → In Union Budget

neglected, and this is visible even in the 2017-18 budget.

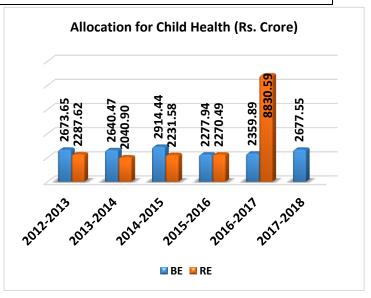
The Finance Minister in his speech mentioned that an "action plan has been prepared to reduce IMR from 39 in 2014 to 28 by 2019 and MMR from 167 in 2011-13 to 100 by 2018-2020. 1.5 lakh Health Sub Centres will be transformed into Health and Wellness Centres."

Further, as announced by the Prime Minister, under the Maternity Benefit Scheme, Rs. 6,000 each would be transferred directly to the bank accounts of pregnant women who undergo institutional delivery and vaccinate their children. This is going to directly impact the health of children.

- 66.3 per cent children in the age group of 12-23 months are fully immunized⁴.
- 38.7 per cent children in the age group of 0-59 months were stunted.
- More than half of the children in 10 out of 15 states are still anaemic.⁵

In the Union Budget 2017-18, Kalawati Saran Children's Hospital received 16.7 per cent increased allocation against the previous year.

It is critical to note here that Kalawati Saran Children's Hospital has been featuring in media reports for all the wrong reasons, though the hospital has been consistently receiving funds from the Ministry of Health and Family Welfare. Despite this, the situation of children in this hospital remains outrageous. This indicates poor utilisation of funds as well as lack of adequate funds.



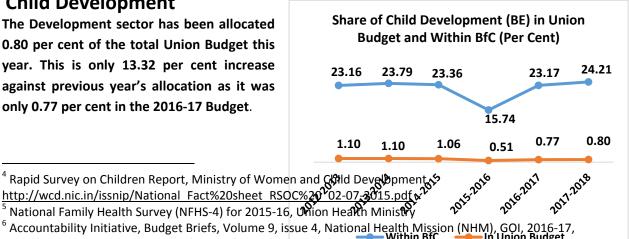
While the achievements of the National

Health Mission in reaching affordable healthcare services must be applauded, the need of universal healthcare, both in terms of access and quality remains a cause of concern. In the Union Budget 2017-18, NRHM-RCH Flexi Pool observed a minor increase of 16 per cent from Rs. 2114.99 Crores in 2016-17 to Rs. 2454.42 Crores in 2017-18.

According to Accountability Initiative, the uncertainty in fund sharing ratios under NHM in FY 2015-16 impacted the timing of fund flows. In FY 2014-15, 72 per cent of funds were released in the first two quarters. This dropped to 41 per cent in FY 2015-16. In fact, 59 per cent of the release in FY 2015-16 was concentrated in the last quarter. ⁶ This is a major concern as delayed fund flow hinders the proper implementation of the health initiative.

Child Development

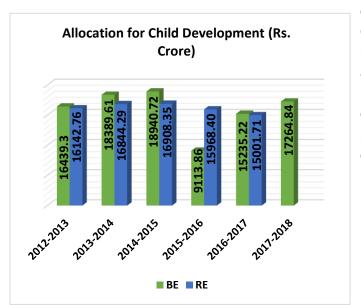
The Development sector has been allocated 0.80 per cent of the total Union Budget this year. This is only 13.32 per cent increase against previous year's allocation as it was only 0.77 per cent in the 2016-17 Budget.



⁶ Accountability Initiative, Budget Briefs, Volume 9, issue 4, National Health Mission (NHM), GOI, 2016-17, Within BfC In Union Budget http://www.accountabilityindia.in/budget/briefs/download/1604

According to the Ministry of Women and Child Development's Rapid Survey on Children, 29.4 per cent children in the age group of 0-59 months have been found to be underweight⁷. Only 49.3 per cent Anganwadi centres had vaccination facility available and only 37.9 per cent children in the age group of 3-6 years are able to receive pre-school education through Anganwadi centres⁸.

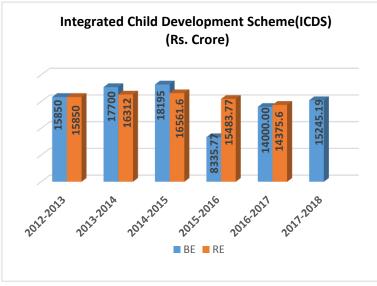
The 2013-14 survey mentions that 49.2 per cent of children aged 6 to 35 months availed supplementary food under the Anganwadi services. The figure was higher in rural areas (53.8 per



This year too, ICDS has not seen much increase and received only Rs. 15245.19 Crores, which is a mere 8.89 per cent of the total union Budget.

ICDS in its universalisation and in third phase of expansion faces many challenges such as inadequate availability of space for Anganwadi Centres (AWCs), vacant posts, low focus on growth monitoring, low focus on early childhood etc.

cent) compared to urban areas (36.7 per cent). Only 44.2 per cent of the children aged 36-71 months and 40.7 per cent pregnant women availed supplementary food. These figures indicate towards rising nutritional needs of children and also raise serious questions about poor coverage of Anganwadi centres in the country.



The Finance Minister announced that Mahila Shakti Kendras would be set up with an allocation of Rs. 500 crores in 14 lakh ICDS Anganwadi Centres. This will provide one stop convergent support services for empowering rural women with opportunities for skill development, employment, digital literacy, health and nutrition.

However what needs to be figured out here is that how the resources meant for children and adolescents as part of ICDS is going to be utilized towards women's empowerment. Are resources going to be diverted / shared and children lose out in this process?

The National Nutrition Mission has been allocated Rs. 1100 Crores, an increase of 206 per cent from last year's allocation of Rs. 360 Crores.

http://wcd.nic.in/issnip/National Fact%20sheet RSOC%20 02-07-2015.pdf

^{8 -}Ibid

⁹ Rapid Survey on Children, 2013-14, http://wcd.nic.in/sites/default/files/RSOC%20FACT%20SHEETS%20Final.pdf

Food fortification in India

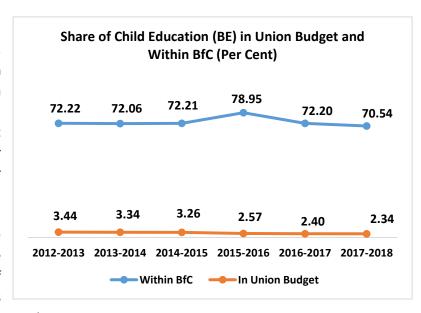
In January 2017, the Ministry of Women and Child Development in association with the Food Safety and Standards Authority of India has developed a draft consultation paper on the proposed road-map for the roll out of the fortification initiative in the country to combat micronutrient malnutrition.¹⁰ It proposes to address iron deficiency anaemia, neural tube defects due to folate deficiency, iodine deficiency disorders, Vitamin A, D and B12 deficiencies through fortified foods like wheat flour, oil and salt. The public funded food based nutrition programmes like ICDS, mid day meal and public distribution system along with the open markets would be used for supply of fortified foods.

The implementation of the promises of the National Policy for Early Childhood Care and Education (ECCE) 2013 through the ICDS and other structures necessitates a re-look at the allocations. This includes upgradation of crèche schemes to serve as vehicles to help young children develop holistically. The scheme related to crèches received increased allocation of Rs. 200 Crores in 2017-18 as it was Rs. 150 Crores in 2016-17 Budget, a 33.3 per cent increase. An interesting addition was the allocation of Rs. 0.63 crores in 2017-18 for crèche facilities for the para-military forces - CISF, ITBP and SSB, which had no mention in the last year's budget.

Since the survival and health of infants is closely linked to that of the mother's heath, appropriate allocation and spending under IGMSY and JSY as per programme commitments must be ensured. IGMSY received a substantial increase of 575 per cent this year, (from Rs. 400 Crores in 2016-17 to Rs. 2700 in 2017-18) which reflects on the government's commitment towards mother and child care.

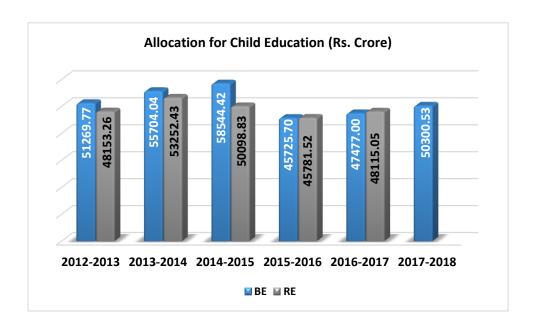
Child Education

The total allocation for education (elementary and secondary) is Rs. 50300.53 Crores, which has been an increase of almost six per cent from the previous year. Even though education sector receives the highest share in the Union budget (2.34 per cent) as well as within BfC (70.54 per cent), it remains an under resourced national area given the international commitments and the goal of spending six per cent of the GDP on child education. The share of education within the Union Budget as



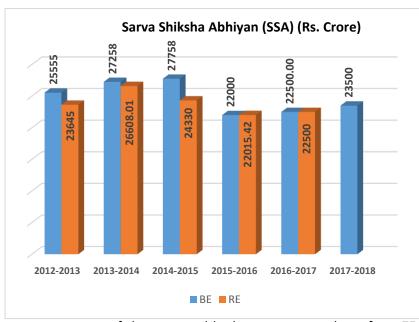
well as the BfC has gone down from the previous year.

¹⁰ http://www.wcd.nic.in/sites/default/files/OM%20-%20Fortification%20Website1.pdf



Sarva Shiksha Abhiyaan (SSA)

Sarva Shiksha Abhiyan is the flagship programme for universal elementary education for children in the age group of 6-14 years, run by the Ministry of Human Resource Development (MHRD).



The total allocation for SSA is Rs. 23500.00 Crores in 2017-18, showing an increase by 4.44 per cent (Rs. 22500 Crores in 2016-17). However it still does not match the allocation of Rs. 27758.00 in 2014-15, prior to the devolution.

According to Accountability Initiative, in the FY 2016-17 the MHRD estimated a resource demand of Rs. 55,000 Crores, however the budget for the year allocated was Rs. 22,500 Crores. The expenditure on SSA as a share of total approved budgets has been decreasing. In FY 2015-16, 70

per cent of the approved budget was spent, down from 75 per cent in FY 2014-15. Due to lack of data on funds released by states for FY 2015-16, it is unclear whether the low expenditures are due to a delay in fund release or because of the low absorption capacity of the states.¹¹

As the primary vehicle for implementing the Right to Free and Compulsory Education Act (RTE), with such gaps in the total allocation and the total approved budget, one could only see the non-implementation of this scheme in full spirit.

¹¹ Accountability Initiative, Budget Briefs, Vol 9, Issue 2, Sarva Shiksha Abhiyan (SSA), GOI, 2016-17, http://www.accountabilityindia.in/budget/briefs/download/1602

The ASER survey 2016¹² had some interesting observations on the education scenario in the country. At the all India level, the enrollment increased for all age groups between 2014 and 2016 in the government schools while no change was noticed in the enrollment in private schools during this period. The learning levels, both reading and arithmetic, had gone up in government schools. While there was improvement in school facilities in terms of accessibility to drinking water and toilet facilities, as well as increase in "small schools" in the government primary school sector, children's attendance did not show major change from 2014.

Status of critical norms and facilities in schools in % (All India Rural)	2010	2014	2016
Complying with pupil-teacher ratio norms	38.9	49.3	53
Complying with classroom-teacher ratio norms	76.2	72.8	73.5
Midday meals being served on day of visit	84.6	85.1	87
Boundary wall	51	58.8	60.4
Playground	62	65.3	64.5
Useable toilets	47.2	65.2	68.7
Useable girls' toilets	32.9	55.7	61.9
Drinking water available	72.7	75.6	74.1
Source : ASER (Rural) 2016 http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER%202016/aser 2016.pdf			

Rashtriya Madhyamik Shiksha Abhiyaan (RMSA)

RMSA, a centrally sponsored scheme launched in 2009, aimed at providing universal access to quality secondary education by 2017, removing gender, socio-economic and disability barriers.

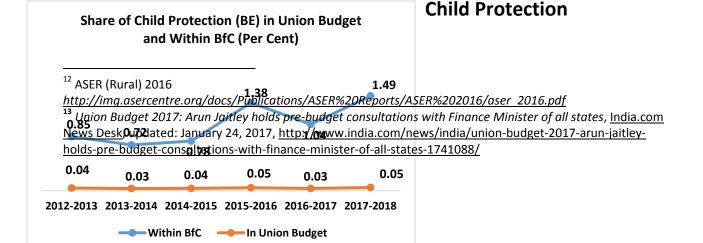
Total allocation for RMSA for 2017-2018 is Rs. 3830 Crores. The share of allocation has increased by 3.5 per cent (from Rs. 3700 Crores to Rs. 3830 Crores).

Interestingly during pre-budget consultation with the finance ministers of all the states, one of the suggestions from the state representatives was the "timely release of funds for Centrally Sponsored Schemes such as SSA and Madhyamik Shiksha Abhiyan."¹³

Mid-day Meal (MDM)

The Mid-day meal scheme of the Ministry of Human Resource Development entitles every child within the age group of 6 to 14 years, studying in classes I to VIII, to be provided meal free of charge in schools.

Mid-day Meal Scheme observed increase of 3.09 per cent in its allocation (from Rs. 9700 Crores in 2016-2017 to Rs. 10000 Crores in 2017-2018).



As we experienced in previous budgets, child protection sector continues to be on the periphery with the lowest share in the total Union Budget as well as BfC. This year, child protection received only 0.05 per cent of total allocations in the Union Budget and 1.49 per cent within BfC. Like other sectors, this sector too remains under resourced despite an allocation of Rs. 1062.43 Crores - an increase of 54.80 per cent.

This when the NCRB reports an increase of 5.3 per cent in crimes against children between 2014 and 2015, a total of 94,172 cases were registered in the country during 2015 as compared to 89,423 cases during 2014.¹⁴

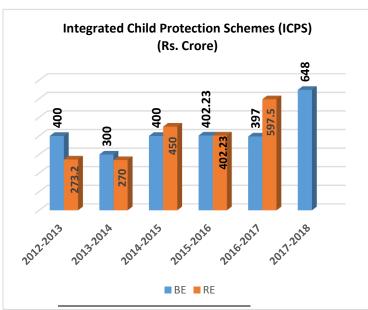
The only scheme related to child labour in Statement 12, the *National Child Labour Project* observed an increase of 14.3 per cent in allocation in the 2017-18 Union Budget (Rs. 140 Crores to Rs. 160 Crores). It must be noted that India is home to 12.6 million child labour¹⁵ in the age group of 5-14 years. It is also commendable that after India winning the Nobel Peace Prize, the issue has got more attention, but the current allocations indicate towards grave insufficiency in order to eradicate this evil.

One of the biggest umbrella schemes to address the needs of child protection, Integrated Child Protection Scheme has seen a considerable increase by 63 per cent

Allocation for Child Protection (Rs. Crore)

Results for the second seco

from the previous year's budget - from Rs. 397 Crores in 2016-2017 to Rs. 648 Crores in 2017-18.



¹⁴ http://ncrb.nic.in/, Crime in India 2015, Chapter 6

However, the focus needs to be on the implementation of the scheme on the ground and monitoring of the outcomes.

The Beti Bachao Beti Padhao (BBBP) scheme, launched in January 2015, saw a 100 per cent increase in allocation, from Rs. 100 Crores in

"As per the revised norms, the cost of setting up a State Child Protection Society (SCPS) in the 35 states, and a District Child Protection Unit (DCPU), a Child Welfare Committee, a Juvenile Justice Board in 675 districts, comes to INR 363.30 Crores."

Source: Translating Policy Commitments into Reality: A Clarion call for investing in Juvenile Justice Policy and its Administration, Bharti Ali, NLUA Law & Policy Review. Vol. 1. No. II. 2015

¹⁵ Census of India 2011

The National Commission for Protection of Child Rights (NCPCR) emphasizes on the principle of universality and inviolability of child rights and focuses on protection of all children in the 0 to 18 years age group. NCPCR has been allocated a total sum of Rs. 19 Crores in the Union Budget 2017-18, the same as in previous year's budget.

Gender Budget (Statement 13) Vs. Budget for Children (Statement 12)

Although the Union Budget 2017-18 poses itself to be a balanced budget, the elements at the core of the child budget, are missing from the current budget. For example, one of the flagship schemes of the Ministry of Women and Child Development (Demand No. 99), Integrated Child Development Scheme (ICDS) does not find a mention as a separate scheme in the current Child Budget, although the same allocations are listed under "Anganwadi Services". The same scheme had been allocated funds in the previous year's child budget.

Surprisingly, Gender Budget 2017-18 features a scheme "Crime against women - Juvenile Justice and Human Rights", but at the same time, the child budget does not feature any scheme related to juvenile justice, except ICPS. The statistics below illustrate how the juvenile are wrongly associated with crimes against women:

- 3,27,394 crimes against women were registered under different categories.
- Of these, there were 1, 50,766 cases of sexual violence against women.
- 41,385 juveniles were apprehended for various crimes during the same period.
- Of these, 5565 juveniles were apprehended for sexual crimes.
- The calculations indicate that there were 0.13 juvenile per case.

Another odd scheme featuring in the Gender Budget is "Hostel renovation at Kolkata, Hyderabad - Crime against Women, Juvenile Justice and Human Rights". The nomenclature of this scheme perpetuates the myth that all crimes against women are committed by juveniles. Ideally, the Gender Budget must cover the aspect of crimes against children under the Juvenile Justice and should have been kept separately.

Conclusion

The fourth Union Budget presented by the current government does not show any remarkable change in the financial allocations for schemes and programmes for children in the country. While under some schemes/programmes there have been remarkable increase, it has been balanced by the decrease in others. Overall there has been an allocation of 3.32 per cent for children, the same as last year.

Mr. Jaitley emphasized that his budget this year was for the Dalits, Tribals, Minorities and Women. How does he justify the cut in budgets for schemes for education for SC boys? (There is a 275% increase for the girls' hostel scheme for SC girls). Where will these boys go? What is their future in the absence of hostels or scholarships? How will they stand up for India?

The political commitment towards the young citizens of this nation is yet to be translated into allocation of financial resources towards their health, education, protection and development. What needs to be seen is how these schemes and programmes are implemented in the next financial year. Are our children going to benefit in terms of improvement in the quality of their health, education, development and protection?

Overall, this budget brings some cheers and some tears...