

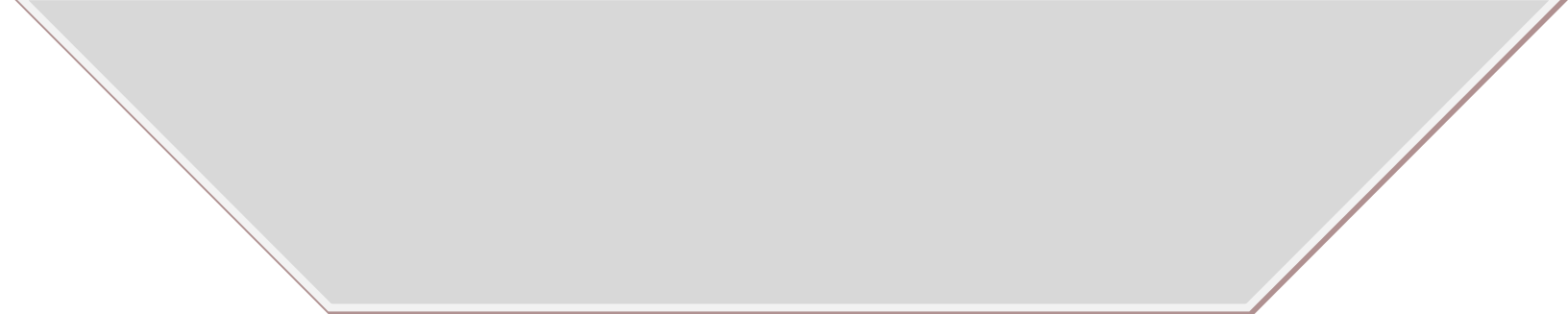


Promise of Achche Din? Review on Union Budget 2016-17

A critical analysis of
Union Budget 2016-17

Perspective of Marginalized Sections
SC/ST, Handloom Weavers and
Fishworkers





**Analysis of
Union Budget
2016–2017**

Perspective of weaker sections

Delhi Solidarity Group

(DSG)



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INTRODUCTION

Government of India presented its annual budget with much fanfare, claiming it to be pro-poor and pro-rural, but the question looms whether it will really change the lives of the marginalized sections of the society. For a country like India that claims to be 'democratic, socialist, sovereign, republic' working towards the 'welfare' of its citizens it might be assumed that the key areas on priority for the government must be health, education and livelihood. It may also be assumed that a substantial proportion of the budget shall be invested in these areas. However, on a close analysis of the budget presented by the Finance Minister on the 29th of February 2016, one cannot help but be disappointed in the way the wealth of this country is being put to use. The budget has not only failed to give due share to the Dalits, Adivasis, women and children but has also failed to take concrete steps to resolve the economic crisis prevalent in the primary sector of the economy, i.e. agriculture. Instead of providing the farmers with substantial financial relief, they have been left in a mess of false hopes and promises. Also, education and health have not been provided the kind of attention that is needed.

For a common person, looking at the budget he/she must be warned that the absolute increase in the amount of money allocated within each ministry is not enough. This increase must be compared with the allocations made in the previous few years and also evaluated in comparison to the total GDP growth that has been observed. What must also be kept in mind is whether the government has been able to utilize the budget at its disposal. Presence of unutilized budget, especially in the categories of social sectors like rural development, health, education, etc. signals towards government's failure to channelize the money into these sectors even after huge promises of implementing thousands of schemes are made in the Parliament during the budget presentation. **In the year 2014-15, the unspent amount of Planned Budget was Rs 1,12,356 crores, showing how far the Government fell short of its targets. The major unspent amount was from the Education, Water and Sanitation, Scheduled Caste, Scheduled Tribe, Backward and Minorities.**

Analysis of Union Budget 2016-17

Revenue Receipts, Interest Payments, Revenue Foregone, Fiscal Deficit, NonLevy of Tax

Revenue Receipt: Total budget estimate for the year 2016-17 is Rs. 19,78,060 Cr. Government has a target to collect revenue of Rs. 14,44,156 Cr. Difference (Budget Estimate – Revenue collected) amount of Rs. 5,33,904 Cr is the fiscal deficit which is to be borrowed. If we see the revenue forgone (largely) to corporates then estimated amount in the year 2015-16 was Rs. 6,11,128 Cr. It is clear from this data that if revenue forgone to corporates is abolished, then government’s liability for Fiscal Deficit can be avoided. Unarguably, the revenue forgone for diamond traders, engineering goods, etc. can be avoided.

We see that the government still does not seem to be committed enough to reduce its fiscal deficit as it has allowed the Revenue Foregone to increase from Rs. 5,89,285.2 Cr in the year 2014-15 to Rs 6,11,128 Cr in 2015-16, where the Revenue Foregone primarily benefits the Corporates and the rich people of the country.

**Table-1: GDP, Budget, Fiscal Deficit, Interest Payment and Revenue Foregone
(Rs. in Crore)**

Year	Budget		GDP - Advance Estimate	Revenue Foregone	Interest Payment	Fiscal Deficit = Borrowing
	Plan	Non-Plan				
2008-09 BE	2,43,386	5,07,498	53,21,753	4,58,516	1,90,807	1,33,287
2009-10 BE	3,25,149	6,95,689	61,64,178	4,82,432	2,25,511	4,00,996
2010-11 BE	3,73,092	7,35,657	78,77,947	4,59,705	2,48,664	3,81,408
2011-12 BE	4,41,547	8,16,182	89,12,179	5,33,583	2,67,986	4,12,817
2012-13 BE	5,21,025	9,69,900	100,28,118	5,66,235	3,19,759	5,13,590
2013-14 BE	5,55,322	11,09,975	113,55,073	5,72,923	3,70,684	5,42,499
2014-15 BE	5,75,000	12,19,892	126,53,762	5,89,285	4,27,011	5,31,177
2015-16 BE	4,65,277	13,12,200	135,67,192	6,11,128	4,56,145	5,55,649
2016-17 BE	5,50,010	14,28,050	150,65,010	NA	4,92,670	5,33,904

Table 1 clearly shows the increasing trend, with few exceptions, in all dimensions of finance – Budget, GDP, Revenue Foregone, Interest Payment and Fiscal Deficit. The financial management of the country is unable to resolve the problems of Fiscal Deficit, Subsidies and Inflation. This state of affairs strikes the legitimacy of ‘development’ that is being pushed by the government.

Tax not levied (not covered in Revenue Foregone): There are cases where the government has no provision to levy taxes. The best example is the “Transaction Tax” on turnover at stock exchanges. Turnover at two stock exchanges namely “**Bombay Stock Exchange**” and

“National Stock Exchange” is around Rs. 200 Lakh Crore (2014-15). The Finance Ministry and its associate offices are unaware of the database of “Transaction Charges” and “Transaction Tax” levied thereon. If we take 1 % “Transaction Tax” on the turnover then nearly Rs. 2,00,000 Crore will be generated as revenue to the government only from two stock exchanges. If the rate of transaction tax is calculated in the manner of “Personal Income Tax” ranging from 10% to 30% then the receipt from the Transaction Tax will be very high and perhaps it will end all sorts of economic slowdown or debt liabilities.

There are many such stock exchanges. “Banking Cash Transaction Tax” received in the year 2011-12 was Rs. 0.02 Cr and in the year 2013-14 it was Rs 0.01 Cr. Similarly revenue receipt from “Securities Transaction Tax” in the year 2011-12 was Rs 1,107 Cr and in the year 2013-14 it was Rs 5,017 Cr. These receipts are negligible in comparison to the turnover at stock exchanges.

Expenditure: Ministry- wise Comparison

The purpose of this table (Table - 2) is to emphasize as how the Budget Estimates of various Ministries/Departments concerned with the welfare of the ordinary people compare with the two broad headings of the budget, i.e. **Interest Payments and Defence (including Police)**. Both these fields together constitute **45.69%** of the Budget Estimate for 2016-17.

However, the Budget Estimates for various Departments/Ministries show abysmally low figures, for example, budget of Department of Health and Family Welfare is only **1.87%** of the total budget in 2016-17. Budget of Ministry of Housing and Urban Poverty Alleviation is a mere **0.27%** of the total budget in 2016-17, while budget of Ministry of Micro, Small and Medium Enterprises is **0.18%** of the total budget in 2016-17.

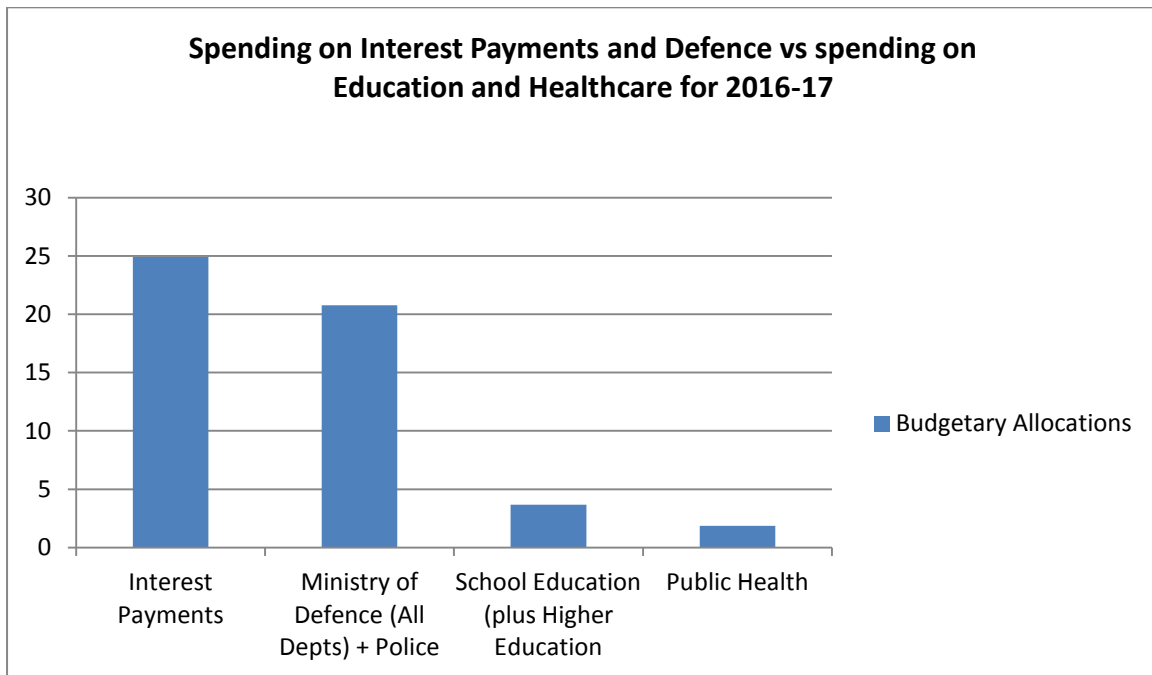
It can be also noted that in most of the Ministries / Department there is increase in the budget 2016-17 compared to the budget 2015-16 but when compared to the budget 2014-15 then it is a lesser. Such examples can be Ministry of Women & Child Development, Ministry of Drinking Water & Sanitation, etc. One can refer to the data of other Departments/Ministries in the table to see as how priorities of the government are not aligned with the welfare of the ordinary people.

Table -2: Comparison of Budget Estimate of different Ministries/Departments from 2014-15 to 2016-17

Ministry/Demand	Budget Estimate 2014-15	Percentage of Total Budget	Budget Estimate 2015-16	Percentage of Total Budget	Budget Estimate 2016-17	Percentage of Total Budget
Interest Payments	4,27,011	23.79	4,56,145	25.66	4,92,670	24.91
Ministry of Defence (All Depts) + Police	3,44,654	19.20	3,72,204	20.94	4,11,107	20.78
Dept. of Rural Development	80,093	4.46	71,695	4.03	86,056	4.35
Dept. of Urban Development	20,010	0.98	19,217	0.95	24,523	1.24
Dept. of School Education (plus Higher Education)	82,771	4.61	69,075	3.89	72,394	3.66
Dept. of Health and Family Welfare	35,163	1.96	29,653	1.75	37,062	1.87
Ministry of Women and Child Development	21,194	1.18	10,382	0.58	17,408	0.88
Ministry of Drinking Water and Sanitation	15,267	0.85	6,244	0.35	14,010	0.71
Ministry of Labour and Employment	5,608	0.31	5,361	0.30	6,243	0.32
Ministry of Tribal Affairs	4,498	0.25	4,819	0.27	4,827	0.24
Ministry of Minority Affairs	3,734	0.21	3,738	0.21	3,827	0.19
Ministry of Micro, Small and Medium Enterprises	3,702	0.21	3,007	0.17	3,465	0.18
Ministry of Textiles	5,697	0.32	4,275	0.24	4,595	0.23
Ministry of Housing and Urban Poverty Alleviation	6,009	0.33	5,634	0.32	5,411	0.27
Dept of Animal Husbandry, Dairying and Fisheries	2,266	0.13	1,585	0.09	1,882	0.10
Ministry of Skill Development and Entrepreneurship	NA	NA	1,543	0.09	1,804	0.09
Total*	17,94,892	100.00	17,77,477	100.00	19,78,060	100.00

** Please note that the Total figures are of the overall budget, provided here for the sake of comparison with various rows. The components of various columns do not add up to the total figures.*

Chart 1 – Comparison of Spending on Interest Payments and Defence vs spending on Education and Healthcare for 2016-17 (In terms of percentage of Total Budget)



In this analysis, the focus is on Special Component Plan (SCP) for Scheduled Castes and Tribal Sub Plan (TSP) for Scheduled Tribes. These plans were introduced in financial year 1979-80 and have been discussed, finalized and approved in the National Development Council and Parliament /Assemblies. These plans are interpreted and narrated differently by different political parties in different manner and for different purposes. However, based on the hierarchy of protocol of democratic institutions and their decisions, features of SCP/TSP are as follows:

1. Allocation of plan fund under SCP/TSP has to be, at least, in proportion of SC/ST population
2. Fund to be utilized in a manner to bridge the Social Gap and Economic Gap between SC/ST and General in a period of 10 years.
3. Fund is non-lapsable and non-divertible
4. Fund has to be spent only in those programs that directly benefit to the individuals, Families and Hamlets belonging to SC/ST
5. A dedicated unit is to be constituted in each department for SCP/TSP
6. Fund allocated under SCP/TSP is to be placed under Minor Heads 789/796 and has to be reallocated to the sectoral implementing line departments / agencies at the disposal of Nodal Department
7. Wage component, especially under rural employment schemes, should not be included under SCP/TSP.
8. Priority should be given for providing basic minimum services like primary education, health, drinking water, nutrition, rural housing, rural electrification and rural link road.
9. A monitoring and review committee should be constituted at district and block levels to review monthly progress and State level committee will review it quarterly.
10. Non-allocation of fund under SCP/TSP will result in non-approval of State/UTs Plan fund
11. Dissemination/awareness of information to SCs/STs all over the State/UT about the schemes/programmes available for their development may be the responsibility of the nodal department.

In Table-3, budget allocations are taken from the year 2012-13 to 2016-17. Allocation under SCP/TSP in the year 2016-17 is less than the allocation made in the year 2014-15 but higher than the allocation in the year 2015-16. It can be seen from the table that in the year 2014-15 total allocation under SCP/TSP was Rs. 82,935 Cr, which was reduced to Rs. 50,831 Cr in the year 2015-16. In the year 2016-17 it is Rs. 62,838 Cr.

These allocations are not in proportion to SC/ST population (25.2% = SC 16.6% + ST 8.6%). Compared to Plan Budget, these allocations are in the range of 10.8% to 14.4%. One may

see that compared to Total Union Budget, these allocations are in the range of 2.86% to 4.62%.

Unutilised budget during the years 2012-13 to 2014-15 is calculated based on the actual expenditures for these years. During the year 2012-13 total unspent amount of SCP/TSP budget was Rs 5,478 Cr, in the year 2013-14 it was Rs. 9,398 Cr and in the year 2014-15 it was Rs 32,979 Cr.

Firstly, budget allocations are not in proportion to the population. Secondly, allocated funds are not fully utilized . Now it is to be observed that whether these allocations meet the features of SCP/TSP mandate. Few examples of Audit Reports are taken to understand the adherence of SCP/TSP policy mandates. Since SCP/TSP have the same mandate and same level of compliances, example of one will be enough to understand the situation. Therefore, few observation of Comptroller and Auditor General (CAG) of India in the case of TSP for 2014-15 is reproduced herewith as follows:

- Audit found that Rs. 326.21 crore of TSP funds were released to those States/UTs where ST population was absent as per Census 2011 and as such TSP component was not applicable to them.
- Funds amounting to Rs. 433.09 crore in 62 cases were released at the end of the year (March) in contravention of GFR provisions-Rule 215(2).
- Utilization certificates from the State Governments were received by the Ministries for total funds released and not as per the head-wise releases. As a result the actual utilisation of funds under TSP remained unascertainable.
- Audit noticed several deficiencies in the financial management of TSP funds in the selected schemes in the states such as non-maintenance of separate account of TSP fund, short/delay in release by Central Government/State Government, non/underutilisation of TSP fund etc.
- Monitoring at the Central level was unsatisfactory. Despite PMO's direction, dedicated TSP unit which was set up earlier in November 2005 was not functioning in the Planning Commission. Out of the 28 identified Ministries/Departments, only two departments furnished quarterly progress reports.

Some more issues pertaining to SC/ST Budget allocation:

1. ***Advances to Agriculture and other Priority Sectors by Public Sector Banks:*** Total Priority Sector Advances in the 2013 is Rs 12,83,680 Cr in the year 2013, Rs. 16,18,971 Cr in the year 2014 and Rs. 17,50,893 Cr in the year 2015. The Adjusted Net Bank Credit (ANBC) is Rs. 35,30,473 Cr in the year 2013, Rs. 41,10,591 Cr in the year 2014 and Rs. 46,89,465 Cr in the year 2015. For SC/ST there is a specific scheme named "State sponsored organisation for SC/ST purchase & supply of inputs & marketing of outputs". In this

scheme lending for SC/ST during 2013-2015 is zero. (Economic Survey 2015-16: Technical Appendix)

2. **Budgetary spending on SC/ST:** Budget Allocated for the SC/ST is largely spent in the programs not benefiting directly to SC/ST such as Roads, Highway, Jail, Dam, etc. Audit reports reveals that budget allocation for SC/ST suffer from disability of program formulation, implementation and monitoring. Expenditure in direct benefiting programs of Rs. 2,10,892 Cr from the Union Budget during the financial years 2012-2015 would have given some space in the statistics produced by the Economic Survey. Unfortunately it is nil. This is a complete lack of political will.
3. **Revenue Foregone:** There is provision of corporate subsidy or Rs. 6,11,128 Cr in terms of "Revenue Foregone". SC/ST entrepreneurs will be able to access this benefit only when they own industries in the sectors identified for Revenue Foregone. List of SC/ST beneficiaries of Revenue Foregone is not available.
4. **Non-Levy of Transaction Taxes:** There is no data with the transaction charges and transaction taxes levied on the turnover of Stock Exchanges – RTI response revealed. The turnover at two stock exchanges namely Bombay Stock Exchange and National Stock Exchange is about Rs. 200 Lakh Crore. "Banking Cash Transaction Tax" received in the year 2011-12 was Rs. 0.02 Cr and in the year 2013-14 it was Rs. 0.01 Cr. Similarly revenue receipt from "Securities Transaction Tax" in the year 2011-12 was Rs. 1107 Cr and in the year 2013-14 it was Rs. 5017 Cr. These receipts are negligible. In this benefit (Tax Exemption by way of not levying tax), representation of SC/ST may be treated as nil.
5. **Contradiction and Perceptions:** The database and pronouncements of Economic Survey of India, Budget documents, Audit Reports, Securities Exchange Board of India, Political Declarations, and other institutions contradict each other and there are no means to verify the facts.

Table -3: Budgetary Allocation under SCP/TSP in the Union Budget since 2012-13 to 2016-17

	2012-13 (BE)	2012-13 (AE)	2013-14 (BE)	2013-14 (AE)	2014-15 (BE)	2014-15 (AE)	2015-16 (BE)	2015-16 (RE)	2016-17 (BE)
Total Budget	1490925	1410372	1665297	1559447	1794892	1663673	1777477	1785391	1978060
Plan Budget	521025	413625	555322	453327	575000	462644	465277	477197	550010
Non Plan Budget	969900	996747	1109975	1106120	1219892	1201029	1312200	1308194	1428050
Allocation / Expenditure for Scheduled Castes under SCP									
Allocation under SCP	37113.03	33160.94	41561	34722	50548.16	30035.07	30850.88	34674.74	38832.63
SCP in Percentage	7.12	8.02	7.48	7.66	8.79	6.49	6.63	7.27	7.06
Due SCP	86490.15	68661.75	92183.45	79785.55	95450.00	76798.90	77235.98	79214.70	91301.66
Shortage in SCP	49377.12	35500.81	50622.32	45063.42	44901.84	46763.83	46385.10	44539.96	52469.03
Allocation /Expenditure for Scheduled Tribes under TSP									
Allocation under TSP	21710.11	20184.1	24598.39	22039.04	32386.84	19921	19980	20963.17	24005.39
TSP in Percentage	4.17	4.88	4.43	4.86	5.63	4.31	4.29	4.39	4.36
Due TSP	44808.15	35571.75	47757.69	38986.12	49450.00	39787.38	40013.82	41038.94	47300.86
Shortage in TSP	23098.04	15387.65	23159.30	16947.08	17063.16	19866.66	20034.05	20075.77	23295.47
Allocation /Expenditure for SC/ST together under SCP/TSP									
Allocation under SCP/TSP	58823.14	53345.04	66159.52	56761.17	82935	49956	50830.65	55638	62838
SCP/TSP in percentage	11.29	12.90	11.91	12.52	14.42	10.80	10.92	11.66	11.42
Due SCP/TSP	131298.30	104233.50	139941.14	118771.67	144900.00	116586.29	117249.80	120253.64	138602.52
Shortage in SCP/TSP	72475.16	50888.46	73781.62	62010.50	61965.00	66630.50	66419.15	64615.73	75764.50

TRADITIONAL LIVELIHOODS
BUDGET ALLOCATIONS TO HANDLOOM WEAVERS AND FISHWORKERS

Handloom Weaver Community

Handloom sector gives employment to 6.5 million people in the country. The practice of handloom weaving falls under the category of 'traditional livelihoods' and has been facing competition from the mechanized power looms since past many years. The handloom weavers, in majority belong to the social classes of SC/ST/OBC/Minority and they are unable to invest in any other livelihood programs due to their poverty and low level of literacy. Handloom weaver community leaders have been consistently advocating with government to take cognizance of the audit objections and community demands to make administrative provisions effective and at par. Audit reports clearly specify the governmental negligence in spending money and implementing the Handloom Reservation Act.

Rastra Chetna Jana Samakhya (RCJS), an organization working for the rights of the handloom weavers has been advocating and negotiating with Ministry of Textiles on regular basis to meet the demands of handloom weaver community. This has led to some positive results in terms of financial allocation, but it is not being fully utilized, e.g. in the year 2014-15 Rs. 192 Cr was allocated for Setting up of Five Mega Clusters - (i) Zari in Bareilly, (ii) Chicken in Lucknow, (iii) Embroidery in Kutch, (iv) Power loom Cluster in Surat and (v) Handloom Cluster in Tripura. Budget code of the scheme is 2851.00.800.50. The Ministry could spend only Rs. 27.12 Cr and Rs. 162.88 Cr remained unutilized. Ministry has stated that due to delay in finalization of projects, the fund could not be fully utilized. Similar is the situation of programs like Comprehensive Handloom Cluster Development Programme - Handloom Mega Cluster. This example helps us to understand the political will of the government.

There are eight programs for handloom weaver community. Allocation under these programs for the year 2016-17 is as follows:

Table – 4: Ministry of Textiles : Handloom Sector Budget 2016-17 (Rs. in Cr)			
Programs for Handloom Weavers	Plan	Non-Plan	Total
National Handloom Development Programme	150		150
Handloom Weavers Comprehensive Welfare Scheme	30		30
Yarn Supply Scheme	260		260
Trade Facilitation Centre and Craft Museum	107		107
Comprehensive Handloom Cluster Development Programme - Handloom Mega Cluster	65		65
Weavers Service Centre		47	47
Others Handloom Programmes		51	51
Total	612	98	710

Allocation for the year 2016-17 is higher by 61% compared to the previous year budget estimate. This allocation is not sufficient to meet the requirements of the sector.

To have a comparative idea about the allocation we can see figures of budget estimates of three years as follows:

Year	Textile Ministry			Total Handloom		
	Plan	Non Plan	Total	Plan	Non Plan	Total
Budget 2014-15 BE	4831	866.4	5697	242	72.51	314.5
Budget 2015-16 BE	3523	751.5	4275	360	80	440
Budget 2016-17 BE	3350	1245	4595	612	98	710

Budget of the State or Union of India have two components – Finance Budget and Performance Budget. Thereby there are two audits – Finance / Accounts audit and Performance / Compliance audit. Underutilization or Expenditure without performance reflects administrative lapses. Therefore, handloom sector requires concerted approach in both finance and administration which is possible only with a political will.

Fishworkers Community

Fisheries Sector, yet another kind of traditional livelihood is covered under the Department of Animal Husbandry, Dairy and Fisheries. The Fisheries Sector supports employment of roughly 1.5 crore fishworkers across the country and contributes 0.9% of GDP, despite post-harvest losses of 5.23% in inland fishery and 10.52% in marine fisheries. The total fish production during 2014-15 was 10.16 MT (metric ton), an increase of 6.18 per cent over 2013-14. Fish production during the first two quarters of 2015-16 has also shown an increasing trend and is estimated at 4.79 MT (estimated for 4 quarters). Fishery Sector generates one of the largest sources of employment dependent on natural resources.

Year	Department of Animal Husbandry, Dairy & Fisheries			Budget for Fisheries Sector		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Budget 2014-15	2174	92.3	2266.3	422.56	38.74	461.3
Budget 2015-16	1491.14	94.29	1585.43	410.69	40.45	451.14
Budget 2016-17	1600.00	281.51	1881.51	450.00	125.34	575.34

As it can be seen from the table, that there has been some increase in the budget allocation for the fisheries sector, after long and consistent engagement with the government, but it still falls short from its due share, which the fishery sector should get.

Above budget is distributed amongst several programs of the ministry. There are four major programs covered in this year, given in the following table.

Blue Revolution - Integrated Development & Management of Fisheries	Plan	Non-Plan	Total
National Fisheries Development Board	192.12		192.12
Assistance to Fisheries Institutes	15	121.44	136.44
Inland Fisheries	242.88		242.88
Marine Fisheries	--	3.9	3.9
Total	450	125.34	575.34

Interest of fish workers in policy changes: Economic survey of India covers the policy changes covering the interest of domestic fish workers and international corporate. In this context it is pertinent to be noted that Government of India is negotiating with World Trade Organization (WTO). The excerpts from the Economic Survey of India is as follows:

Another area under negotiation in Nairobi dealt with the rules on fisheries subsidies. Several countries, such as China, Egypt, South Africa, Korea and Saudi Arabia, were opposed to disciplining rules on fisheries subsidies due to the lack of clarity. The overwhelming opposition to this item on the agenda was in tune with India's position. There was no outcome in this area of the negotiations. On the issue of rules on Anti-dumping, India strongly opposed a proposal that would give greater power to the WTO's Anti-Dumping Committee to review Members' practices. There was no convergence in this area and, hence, no outcome was achieved...

In addition to the WTO, Indian Government is also negotiating with other foreign bodies. Regarding Trans - Pacific Partnership (TPP) and its Implication for India, excerpts from the Economic Survey is as follows:

Environment standard in TPP agreement: The TPP agreement goes beyond the provisions in other FTAs (Foreign Tourist Arrivals) to include new ones that will address wildlife trafficking, illegal logging and illegal fishing practices. The TPP members acknowledge that inadequate fisheries management, fisheries subsidies that contribute to overfishing and overcapacity, and illegal, unreported and unregulated (IUU) fishing can have significant negative impacts on trade, development and the environment and 'thus recognize the need for individual and collective action to address the problems of overfishing and unsustainable utilization of fisheries resources'. This is in contradiction to India's current policy of subsidizing the fishery industry. It may severely affect special governmental assistance programmes for around 15 million poor fishermen in India. Fishery subsidies rule has been incorporated for the first time in an FTA agreement and this will set the standard for other countries in the WTO arena. Hence these TPP rules

are likely to affect the multilateral process and impact India, independently of whether it joins the TPP or not (Meltzer, 2015).

The Economic Survey of India does not speak about the interest of fish workers but it certainly speaks about the fishing business, trade and rules related thereto from the angle of global corporates. The fisher community is losing its livelihood due to liberalization and foreign trawlers engaged in the fishing. The picture gets clearer when one looks at the budget. To understand it better we can see budget allocation during previous years and compare it with current budget.

Table – 8: Scheme wise allocations of the budget for fisheries

Programs of the Ministry	Actual 2012-13	Actual 2013-14	Budget 2014-15	Budget 2015-16
Marine Fisheries	114.06	114.14	121.57	105.28
Inland Fisheries	35.21	36.44	42.72	126.8
Assistance to Fisheries Institutes	69.31	69.71	80.74	97.84
Other Fisheries Programme	3.42	4.08	3.43	4.61
National Fisheries Development Board	106.81	123.16	137.5	114.61
Package for Replacement of Fishing Vessels seized by Pakistan	1	--	2	2
Total	329.81	347.53	387.96	451.14

The expenditure is audited by the CAG to observe quality of service of all the government departments. Such audits are test audits i.e. sample audit which does not speak about the whole expenditure. In one such audit it was found that during the financial year 2013-14 the Ministry had provision of Rs. 12 Cr for the purpose of “Development of Marine Fisheries, Infrastructure & Post Harvest Operations (Budget Code 3602.04.632.01)” but ministry did not spend any amount. This program was for the benefit of fish workers. There are number of such examples.

The other perspective is to look at the kind of budget allocations and expenditures. The budget is mostly allocated for institutional management like Fisheries Institutes, Fisheries Development Boards, etc. Budget allocated for the programs for fish workers welfare are highly underutilised. For example in the year 2014-15 Rs. 461.3 Cr was allocated but the government spent only Rs. 387.96 Cr and Rs. 73.34 Cr remained unutilised.

The kind of expenditures and problems of fish workers, points out towards a lack of political will on the part of the government. Ultimately, implementing agencies of the government may have one or another excuse, for improper implementation, thereby giving a chance to international corporates and foreign governments for providing solutions solutions for the sake of their own profits. Government would reluctantly accept the foreign solutions in a phased manner, leading to a heavy loss for domestic fishworker communities and national loss of productivity and consumptions.

LAPSED BUDGET, PENALTIES PAID BY GOVERNMENT AND MISSING BUDGET DOCUMENTS

Where money lapsed

Taxpayer's money is collected for certain purposes. Ruling political party has constitutional duty not to defeat these purposes. To understand the extent to which taxpayer's money is lapsed, details of accounts of Union Government needs to be checked. The Comptroller and Auditor General of India has published the audited figures for the year 2014-15.

Audit reveals that saving of more than Rs. 100 crores occurred in 122 cases of 93 grants (including Civil, Posts, Railways and Defence Services) amounting to Rs. 5,80,970 crore. Large savings were noticed in grants: Appropriation-Repayment of Debt (Rs 3,56,325 crore), Appropriation-Interest Payments (Rs. 24,784 crore), Department of Financial Services (Rs. 17,560 crore), Department of School Education & Literacy (Rs. 14,615 crore), Transfers to State and Union Territory Governments (Rs. 13,403 crore). Some other glaring facts are follows:

1. Food Corporation of India: Rs. 27,759 crore of subsidy claims (Rs 23,699 crore to FCI, and Rs. 4,060 crore to undertakings in the fertiliser and petroleum sectors) have not been paid by the Union Government
2. Ministry of Agriculture lapsed Rs. 4,936.78 Cr
3. Department of Health & Family Welfare lapsed Rs. 6,505.28 Cr
4. Department of Higher Education lapsed Rs. 4,486.90 Cr
5. Ministry of Drinking Water & Sanitation lapsed Rs. 3,176.04 Cr
6. Department of Rural Development lapsed Rs 13,116.63 Cr
7. Ministry of Housing and Urban Poverty Alleviation lapsed Rs. 3,273.28 Cr
8. Ministry of Textiles lapsed Rs. 1,657.68 Cr
9. Ministry of Tourism lapsed Rs. 979.89 Cr
10. Ministry of Water Resources lapsed Rs 9,728.38 Cr
11. Department of Urban Development lapsed Rs. 4,553.51 Cr
12. Ministry of Women and Child Development lapsed Rs. 2,652.77 Cr
13. Ministry of Social Justice and Empowerment lapsed Rs. 1,013.30 Cr
14. Ministry of Labour and Employment lapsed Rs. 1,474.27 Cr
15. Ministry of Panchayati Raj lapsed Rs. 3,610.14 Cr

Penalty paid to international agencies due to undrawn amount by different departments:

Debt is raised for certain purposes. Let us take an example of external debt. During 2014-15, the external debt at current rate has been reported at Rs. 3,66,384 crore. As on 31st March

2015, unutilized external assistance (debt) was of the order of Rs. 2,37,012 crores. Undrawn amount by different departments is as follows:

- Urban Development - Rs. 32,782 Cr
- Atomic Energy – Rs 31,312 Cr
- Roads Rs. 29,527 Cr
- Power Rs. 28,503 Cr Railways Rs. 25,130 Cr Water Supply and Sanitation Rs. 14,902 Cr
- Water Resource Management Rs. 13,008 Cr and
- Environment and Forestry Rs. 10,949 Cr

When the government does not draw money from the agency, then it has to pay a commitment charge. Government did not withdraw Rs. 2,37,012 crore and therefore under the head of 'interest obligation' government has to pay commitment charge amounting to Rs. 110.53 Cr. It has multiple losses such as defeat of institutional objectives, misuse of bureaucratic infrastructure and wastage of taxpayer's money.

Non-inclusion of statements/information in the Union Finance Accounts as recommended by the Twelfth, Thirteenth and Fourteenth Finance Commissions:

The Twelfth Finance Commission, in their Report (para 14.16) submitted to the Government in November 2004, had recommended inclusion of eight additional statements/information in the Union Government accounts for greater transparency and informed decision making, pending transition from cash to accrual basis of accounting. The recommendation was accepted in principle by the Government. The additional statements recommended by the Twelfth Finance Commission were in respect of the following:

- a. Subsidies given, both explicit and implicit;
- b. Expenditure on salaries by various departments/units;
- c. Detailed information on pensioners and expenditure on Government pensions;
- d. Committed liabilities in the future;
- e. Debt and other liabilities as well as repayment schedule;
- f. Accretion to or erosion in financial assets held by the Government including those arising out of changes in the manner of spending by it;
- g. Implications of major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows; and
- h. Maintenance of expenditure with segregation of salary and non- salary portions.

On one hand, government is borrowing from foreign agencies and on the other it is not drawing debt amount and as a result paying penalties in terms of commitment charges. It is a national loss. Another kind of a national loss is defeat of national objectives by way of not spending allocated budget. Further, government conceals information by way of not furnishing the document proposed by finance commission. These acts are not in the interest of nation as a whole.

CONCLUSION

The budget for 2016-17, Economic Survey of India 2015-16 and Audit Reports indicates that taxpayers' money is being diverted in a way which clearly indicates that the interests of the masses is not the priority of the government. The benefits accruing from a growing GDP have failed to reduce income inequality as the benefits are being constrained to few pockets of the elite corporate classes. The BJP led NDA government has once again failed to cater to the needs of the marginalized sections.

Make in India, Start up India, Skill India, Digital India, Nationalist India, Achhe Din, are the political slogan not matching to the budgetary allocations. It is however not surprising that the budget allocation is in this form. How can any imaginable good come for the farmers when the government has been in fact attempting to introduce anti-farmer policies since it came to power like the land ordinance. A country which bows to the neo-liberal agenda can hardly be expected to spend on the crucial sectors of health and education. A country which supports extensive FDI cannot be expected to safeguard its populations of Dalits/Adivasis/minorities and OBCs dependent on traditional forms of livelihood. The government has been spending extensively on building the highways, dams, industrial corridors, power plants etc., leaving aside the responsibility to rehabilitate displaced, evicted, atrocities affected and landless population.

We are a country which has been spending a larger share of its budget on defence and police each consecutive year owing to the various 'tasks' that it is undertaking. More of the nation's wealth is increasingly being used to facilitate police atrocities on forest dwelling communities, carrying out militancy operations like the Operation greenhunt, or on employing CRPF, BSF, Police at the gates of an academic university like JNU. To unleash police forces on students again and again when they rally in the city for their rights and to repress other such voices of dissent by Dalits, adivasis and women will also require a certain 'budget allocation' in the coming year.

The economic condition of India indicates that we are aspiring to be a war economy - an economy that grows through perpetrating violence and war. A large share of the taxpayers' money has hence been unduly diverted towards corporate subsidy and defence instead of spending it on education of the young generation or towards saving lives of thousands of farmers who continue to commit suicide as poverty engulfs them whole.



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Presenting a quick analysis on fiscal deficit, revenue foregone and allocation for Handloom Weavers, Fishworkers and SC/STs in the financial year 2016-17 to the National and Vernacular media through interactions. As you know, the fishworkers, handloom weavers, Dalit and Adivasi populations are most fundamental to our socio-economic fabric and dependent on traditional livelihoods. While they create the maximum wealth and employment, much more than any corporation, their thumbs are being chopped by Finance Ministers like Arun Jaitely, in the same way as in the epic story of Taj Mahal!