

Exposing Union Budget 2017-18

Analysis from the perspectives of SC/ST, Fisherfolks, Handloom Weavers, OBC - Riddles and Knots

Facts, beyond opinions, should be understood to understand budget and its importance. Few things are important: If a government fails to secure majority vote on budget, then ruling party loses the confidence it enjoys and fresh general election are to be called. Second, the performance and regulatory audit reports gets tabled in the house before the Public Accounts Committee chaired by leader of opposition. This helps the main opposition party and members of other parties to have knowledge of the functioning of the government. Under this situation, if a budget is debated, as it should be, then several flaws, if exist, will be available for public. If one party fulfils its constitutional and parliamentary obligations then other party will be bound to do it in subsequent tenure. But, the way ruling and opposition party debate on budget is known to everyone – no debate in parliament on budget or to that matter on anything.

Following the ritual, Government of India presented its budget with much fanfare, claiming it to be pro-poor, but the larger question that looms is whether it will really change the lives of the marginalized sections of the society. For a country like India which is ‘democratic, socialist, sovereign, republic’ working towards the ‘welfare’ of its citizens, one, either out of innocence or honest belief, tend to assume that the key areas of priority for the government will be social sector, health, education and livelihood. One might also assume that a substantial proportion of the budget shall be allocated to the aforementioned sectors. However, on a close analysis of budget presented by the Finance Minister on 1st February 2017, despite rushing the budget presentation to February for reasons they only know, 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, working class, 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 world of false hopes and promises. Also, education and health have not been provided with the kind of attention they badly need.

For a common person looking at the budget, it is very important to warn beforehand that the absolute increase in the amount of money allocated cannot be taken as the metric for analysis. This increase must be compared with the allocations made in the previous few years and should also evaluated in comparison to the total GDP growth that has been recorded. What must also be kept in mind is that whether the government has been able to utilize the budget of the previous year that was 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.

To understand this further, we shall have a small tour of the Economic Survey and the budget presented on 1st Feb 2017 in the Parliament. A detailed report on Budget will be produced in the days coming

Economic Survey of India 2016-17

This document, presented in the Parliament on 31st January, has several changes made. Some of the terms / concepts are as follows:

1. In the Economic Survey 2016-17 presented in the Parliament, the terms Scheduled Castes and Scheduled Tribes have been removed. It clearly points to the priorities of the present ruling dispensation which perhaps want to convey that indicators of development of SC and ST communities are no more the indicators for national development, all the while claiming that their budget is pro-poor budget.

2. Universal Basic Income: Paragraph 9.1 states that “..... ‘wiping every tear from every eye’ is about a lot more than being able to imbibe a few calories. And the Mahatma understood that better, deeper, and earlier than all the Marxists, market messiahs, materialists and behaviouralists. He intuited that it is also about dignity, invulnerability, self-control and freedom, and mental and psychological unburdening.” Para 9.2 states that “..... UBI has three components: universality, unconditionality, and agency (by providing support in the form of cash transfers to respect, not dictate, recipients’ choices).” The concept of UBI might have been derived from the teaching of Mahatma Gandhi. However, the ‘tear’ mentioned in the survey report does not distinguish between tears of Rohith Vemula and tears of Vijay Malya; the former’s scholarship was stopped and then forced to commit suicide whereas the latter was awarded by exonerating him of the corporate crime of willful defaulting, by the way of loan waiver. There are tears of other people that don’t count to the present ruling dispensation such as the tears of the people related to those killed and injured in arbitrary firing at Hazaribagh recently.

3. Section 2: One India: Paragraph 11.37 states that “The GST was justly touted as leading to the creation of One Tax, One Market, One India. But it is worth reflecting how far India is from that ideal. Indian states have levied any number of charges on goods that hinder free trade in India—octroi duties, entry taxes, Central Sales Tax (CST) to name a few. The most egregious example of levying charges of services coming from other states is the cross-state power surcharge that raises the cost of manufacturing, fragments the Indian power market and sustains inefficient cross-subsidization of power within states.....” Several Constitutional references have been cited. However, nowhere the documents mentions, let alone explain, about mechanisms to tackle the heavily underplayed problem- Revenue Foregone to corporate sector, tax exemption to Stock Exchanges, etc.

4. In the chapter 11 named “One Economic India: For Goods and in the Eyes of the Constitution” there are some interesting facts. It starts with the quotation of Ravindranth Tagore, “Where the world has not been broken up into fragments by narrow domestic walls.” Thereafter, paragraph 11.1 states, “When, several decades ago, an earnest Raj Kapoor famously sang “Phir bhi dil hai Hindustani,” (“Still, my heart is Indian”), he was expressing what in hindsight appears to be a deep insight on comparative national development.” Paragraph 11.51 states that “But there is a third and much weaker standard by which Indian rules should be assessed: the WTO. The WTO has a membership of 164 countries with widely varying income levels and political systems: for example, the ratio of per capita GDP of the richest countries is more than 60 times that of the poorest, while the corresponding ratio within India is less than 5.” Paragraph

11.52 states that “If that is reasonable, then the comparison between WTO rules and the provisions of the Constitution is not inappropriate.” The language used in Economic Survey of India can be better judged by the readers themselves.

The Economic Survey has gone beyond principles of Democracy, Economics, Assyriology (principle and theory of language), Constitution, and everything is interpreted in connivance with corporate world and according to the will and wishes of Corporate World. Industries are necessary, but industrializing cannot mean cultivating human values for the industrialists to be exploited for profits. Industries are for the collective development of mankind and mankind can't be forced to sacrifice their lives for industrialists. The current dispensation's will and wish reflected in the Economic Survey of India 2016-17 clearly indicates appropriation of principles in favor of corporate world throwing public interest to winds.

Budget Analysis, 2017-2018

1. **SC and ST Allocations:** Deviating from the established norm of presenting Plan and Non-Plan components separately, they are merged in the Budget of 2017-18. This will affect allocation for SC/ST meaning, allocation for them is also to be merged or mingled and reflected in the expenditure of establishments. In previous budgets, allocations for SC/ST was mandated for programs covered for plan period only and expenditure of establishments after the expiry of plan period were booked under Non-Plan heads. Thereby, in the figures given in the budget 2017-18, population proportionate allocation for SC/ST is applicable in total budget of Union of India. It is also important to note the purpose for which notions assigned to the term “Plan” and “Non-Plan”, in the context of SC/ST is abandoned henceforth from this budget. Such being the underhand mathematical jugglery, we shall see the allocations made under Scheduled Caste Sub- Plan to and Tribal Sub-Plan.

Total Budget Size - Rs. 21, 47,000 Cr

Population of SC- 16.6% (Census 2011)

Allocation made under Special Component Plan- Rs. 52,393 Cr

In the previous year 2016- 17 allocation was Rs. 38,338 Cr in the plan budget only.

Due Share of SC in total budget including all sorts of expenditure: Rs. 3, 56,402 Cr.

Shortage of allocation for SC in the budgetary allocation: Rs. 3, 04,009 Cr.

So, a government that had named its digital payment application as BHIM (BHARAT INTERFACE FOR MONEY). This whatsoever BHIM has no link with Dr. Ambedkar; a mere camouflage allocates 14.7% of what it is mandated to allocate. Not even 16.6% of the actual 16.6% (Rs.3, 56,402 Cr) it did allocate. Modi might have shed tears on the perpetrating killing on Rohith Vemula but no pretence of even shedding tears for such abysmal allocation.

Population of ST: 8.6% (Census 2011)

Allocation made under Tribal Sub-Plan: Rs. 31,920 Cr

In previous year 2016-17 allocation for ST was Rs. 24,000 Cr in Plan budget.

Due Share of ST in total budget including all sorts of expenditure: Rs. 1, 84,642 Cr

Shortage of allocation for ST in the budgetary allocation: Rs. 1, 52,722 Cr

A government whose parent organization runs schools for *Vanvaasis* (RSS version of pronouncement of ST) with unknown funds cannot even allocate the meager 8.6% of the funds it is supposed to. The allocation made is mere 17.3% of the actual allocation it is mandated to allocate (1, 84, 642 Cr). One question that forcefully comes to our mind is - does such meager allocations have anything to do with successful running of unaccounted *Vanvaasi Kalyan Asharams*?

So, the total amount denied to SC and ST communities is Rs. 4, 56,731 Cr.

S.No	Total Budget (Rs. in crores)	Community	Population Percentage	Allocations to be made (in crores)	Actual Allocations Rs. in Cr (%)	Shortfall (Rs. in Cr)
1	21,47,000	Scheduled Castes	16.6	3,56,402	52,393 (2.44%)	3,04,009
2	21,47,000	Scheduled Tribes	8.6	1,84,642	31,920 (1.49%)	1,52,722
	Total		25.2	5,41,044	84,313 (3.93%)	4,56,731

Merging contents and redefining them in Economic survey of India and Budget is another game plan to complicate and make people difficult to understand the riddles of budget. The Jumla of Demonetization, Skill India, Startup India, Shining India, Make in India, and many more proved noting but waste of human capital of the country. Now these Jumla have been well incorporated into the Economy and Budget terminologies.

- 2. Allocation to Fisheries:** We have seen the gross injustice in allocations to Scheduled Castes and Scheduled Tribes. Now, it is the turn of Fisheries. Before this we have to understand one crucial similarity between members of Scheduled Tribes and Fisher folk. Members of Scheduled Tribes and Fisher folk depend almost solely on Forest and Sea produce, respectively. We are seeing the continued attack on forests in the name of mining despite strong Constitutional and Legislative checks in place. The abysmal situation of granting Forest Rights coupled with utter dis-regard for PESA and Samata judgment is rendering the lives of Tribals much more vulnerable. Now, with the advent of 'Ocean Grab' the situation of fisher folk is taking the same trajectory. The grand ambitious plans such as Sagaramala, the proliferating Nuclear Power Plants, the Industrial Corridors that are crisscrossing mainland India, proposed Coastal Economic Zones, Coastal Corridors, huge

projects such as PCPIR will, if materialize, eventually displace millions of fisher folk. That being the precarious situation, one would expect the government to make alternate arrangements for the displaced to lead a dignified life. Alas! As the following numbers show that is not the case. Forget increasing the budget allocation, they have in fact decreased the allocation for Fisheries. The following is the comparison table for allocations to fisheries in last few years. The question that has to be asked is for who benefits from fisher folk's loss?

Allocation for Fisheries Sector and entire Department of Animal Husbandry, Dairy & Fisheries						
Year	Budget of Department of Animal Husbandry, Dairy and Fisheries			Budget for Fisheries Sector		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Budget 2014-2015	2174	92.3	2266.3	422.56	38.74	461.30
Budget 2015-2016	1491.14	94.29	1585.43	410.69	40.45	451.14
Expenditure 2015-16			1410.12			449.97
Budget 2016-17	1600	281.51	1881.51	450	125.34	575.34
Budget 2017-18			2371.00			549.13

The above table tells us that in previous years even the meager amounts allotted were not spent. It is estimated that some 360 million people live in coastal areas. Though not everyone living in coastal area is dependent on fishing majority of them are dependent on fishing. As mentioned above with such massive threat of displacement looming over the inhabitants of coastal regions of India, one would earnestly expect increase in the allocations. What fisher community got in fact is reduction!

3. Handloom Sector: We have seen what happened with allocation to deprived sections. Another deprived section which generally goes unnoticed is the community of handloom weavers. We all like to romanticize the exoticness of the handloom products and well-off even find a sense of guilt reduction in purchasing exotic handloom products. However, what generally as a matter of fact escapes the view of many of urban well-off Handloom purchasers is the abysmal working conditions and the marginality of their existence owing to the cheap products produced by power looms. It is ironic that when we are talking about the contradiction between handloom and power loom we have an overarching ministry called Ministry of Textiles which supposedly takes care of both Handloom and Power Loom. An estimate of 4.3 million people are engaged in Handloom sector. The following table clearly explains the attention Handloom as a sector receives when we compare with the overarching ministry of Textiles.

Budget Allocation for Handloom Sector 2016-17						
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 2017-18 BE			6227			604

The above table clearly shows the decreased funding to Handlooms all the while when the funding to Ministry of Textiles has increased. There is 35.5% increase in allocation to Textile ministry where as there is 15% decrease in allocation to handloom sector. Simple math tells us that Handloom is under-allocated by 37.2% or 358 Cr on proportionate basis.

We have seen the pattern where each and every sector we have touched by now is under-allocated. On the other hand the total budget has increased. Then the natural question is where is the increased amount going to? Looking into Revenue and Expenditure statement tells us a lot. The following is the table of Revenue and Expenditure for the past few years.

4. **Trend in GDP, Budget, Expenditure and other liabilities:** One can see the trends of indicators to justify the economic development and its impact observed in the society.

Year	Budget		GDP - Advance Estimate	Revenue Foregone	Interest Payment	Fiscal Deficit = Borrowing
	Estimate	Expenditure				
2008-09 BE	7,50,884	8,83,956	53,21,753	4,58,516	1,90,807	1,33,287
2009-10 BE	10,20,838	10,24,487	61,64,178	4,82,432	2,25,511	4,00,996
2010-11 BE	11,08,749	11,97,328	78,77,947	4,59,705	2,48,664	3,81,408
2011-12 BE	12,57,729	13,04,365	89,12,179	5,33,583	2,67,986	4,12,817
2012-13 BE	14,90,925	14,10,372	100,28,118	5,66,235	3,19,759	5,13,590
2013-14 BE	16,65,297	15,59,447	113,55,073	5,72,923	3,70,684	5,42,499
2014-15 BE	17,94,892	16,63,673	126,53,762	5,89,285	4,27,011	5,31,177
2015-16 BE	17,77,477	17,90,783	135,67,192	6,11,128	4,56,145	5,55,649
2016-17 BE	19,78,060		150,65,010	3,95,192	4,92,670	5,33,904
2017-18 BE	21,47,000		168,47,455		523078	5,46,532

One thing that immediately catches our eyeballs in the above table is expenditure always outnumbering Revenue. The following natural question is why do we always lack in raising required Revenue? The answer to this question lies in the same table. A glance at Column 5 explains a lot. The revenue forgone, which includes Corporate tax incentives, Corporate tax waivers, Import Tax incentives and Waiver, Customs duty incentives and waivers, has been increasing along with the fiscal deficit. In fact, the vicious cycle is so visible here. The huge revenue forgone compels us to borrow and the interest payments over the borrowings along with revenue forgone further widen the fiscal deficit which again compels us to new borrowing. If this is to continue, what we will have is unending vicious debt cycle. Who benefits from this debt?? The answer lies in who are siphoning off the benefits from Revenue Forgone. It is so clear that they are Corporates and Well-off

sections.... Then glaring question is if it is not privatizing public good and socializing private debt, what else it can be??

5. Allocation for Backward Classes and DNT / Nomadic Tribes by Ministry of Social Justice & Empowerment

There is no clear identifiable figures at this stage. The clear figure of allocation can be traced out from Detailed Demands for Grants. DNT and Nomadic Tribes are classified within Scheduled Castes, Scheduled Tribes and Other Backward Classes. The allocation for SC/ST is available. For OBC it is not given in detail. Information on budget allocation available for the year 2017-18 are as follows:

1. National Fellowship for Other Backward Classes and Economically Backward Classes Rs. 40.00 Cr
2. Free Coaching for SC and OBC Students Rs. 25.00 Cr
3. National Overseas Scholarships for OBCs Rs. 4.30 Cr
4. National Commission for Backward Classes Rs. 5.50 Cr
5. National Commission for Denotified Tribes Rs. 2.50 Cr
6. Schemes for Backward Class Rs. 1193.00 Cr
7. Scheme for Development of Denotified Nomadic Tribes Rs. 6.00 Cr
8. Update with more insight will be made available within 2-3 days

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