

Budget Analysis for Child Protection

Children under the age of 18 constitute 42 percent of India's population. They represent not just India's future, but are integral to securing India's present. Yet development indicators continue to show slow progress towards securing their welfare and delivering their basic rights. The very survival of the child continues to be at risk, particularly for girls, with their survival prospects getting grimmer. Successive Census figures reveal a sharp decline in the child sex ratio. Despite a booming economy, investments in social development are insufficient and are also not yielding changes rapidly enough.

The **National Common Minimum Program (NCMP)** reiterates the United Progressive Alliance led Indian government's commitment to rapid economic growth and targeted investments aimed at the poorest of the poor. The NCMP outlines ambitious targets related to public spending on key services, including the following: education will be raised to 6% of GDP, with at least half to be spent on primary and secondary education, while public spending on health will be raised to at least 2-3% of GDP over the next five years, focusing mainly on primary health care.

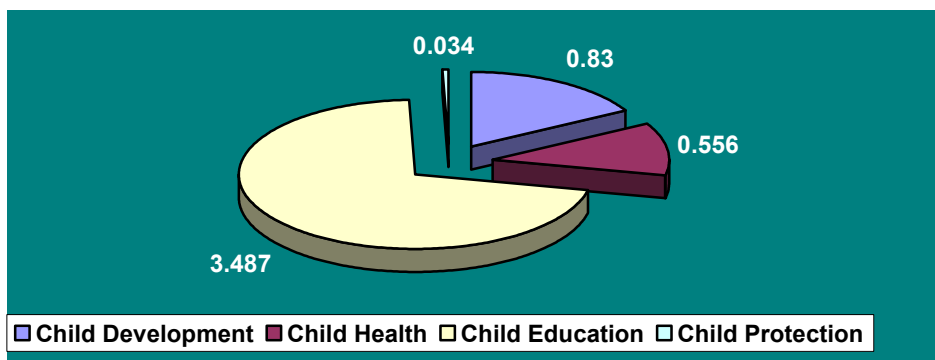
An analysis of the broad trends in budgetary allocations in India shows that as a result of the growing economy, social sector expenditures have been increasing both as a proportion of aggregate government expenditure and real expenditure (i.e. at constant prices) since the 1990s. Increased policy efforts and the expansion of programmes in nutrition (ICDS) and education (**Mid-day Meal Scheme, Sarva Shiksha Abhiyan**) have resulted in steady increases in expenditure on children. However, while the Union Government's expenditure on Social Services (measured as a proportion of Gross Domestic Product (GDP)) has been going up steadily, there is not much change for 2006-07 over 2005-06. Further analysis shows that the increase in allocations between 1996-97 and 2006-07 represents just under 0.4 % of GDP, with an increase from 0.71 % of GDP in 1996-97 to 1.1 % of GDP in the Budget Estimates for 2006-07. Also, almost the entire increase over the decade from 1996-97 to 2006-07 Budget Estimates (BE) has been in Revenue Expenditure (which has gone up from Rs.9014.15 crore in 1996-97 to Rs.41,698.73 crore in 2006-07), while Capital Expenditure has been almost stagnant over this period (Rs.658.09 crore in 1996-97 and Rs.1164.83 crore in 2006-07).

Analysis of the allocations made in the budget and the actual expenditure incurred subsequently on different sectors/programmes/schemes point to the priorities of the government. 'Child Budgeting' represents an important policy analysis tool that can help us take stock of our development investments for children and identify glaring gaps in resource investment and utilisation. Sufficient resourcing of our progressive policy framework is the first step to making real our Constitutional and other national policy commitments. Budgetary analysis helps us to also map the areas, which are relatively neglected.

Better outcomes in any sector, for instance, education, health or rural development, depend not just on allocations but also on proper utilization of those allocations. In India, there are many non-financial constraints that impede progress in several sectors, especially the social sector. However, financial constraints could pose serious challenges to development in any sector, and hence the focus on identifying such constraints and making efforts for their removal are essential.

In 2001, for the first time an attempt was made by HAQ: Center for Child Rights at using 'Child Budgeting' as a tool to monitor public funding on children through a decadal analysis of the union budget undertaken from a child rights perspective. Two further attempts were made by ICCW – Tamil Nadu in 2003 and 2004. The Ministry of Women and Child Development took a step in this direction in 2002-03. The child budgeting exercise was discontinued by DWCD in 2003-04, but subsequently resumed in 2004-05 and is currently being undertaken in partnership with UNICEF. Child budget analysis reveals the persisting low level of fund allocation for any measures affecting children, with resources for child protection at the lowest of all. The total share of child protection in the Union Budget for 2005-06 was just 0.034% (see diagram and table below) and the budget estimates for child protection between 2004-05 and the current financial year 2006-07 have remained more or less the same.

Percentage Share of Sectoral Allocation on Children in Union Budget



Year	% Share of Child Health in Child Budget	% Share of Child Development in Child Budget	% Share of Child Education in Child Budget	% Share of Child Protection in Child Budget	% Share of Total Child Budget in Union Budget
2004-05	0.423	0.422	1.567	0.033	2.445
2005-06	0.527	0.658	2.638	0.034	3.857
2006-07	0.556	0.830	3.487	0.034	4.907

Source: GOI Expenditure Budget 2004-05, 2005-06, 2006-07 (Vols 1&2) and HAQ: Centre for Child Rights, Delhi

India fares poorly compared to other countries in allocation of resources for health, development, protection and education for children. As a proportion of Gross Domestic Product, these investments are particularly low and increases are not commensurate with the overall increase in national productivity and income. Under-investment in health, development, protection and education will only serve to widen income gaps and perpetuate inequality, both of which will impede national efforts to meet important development targets.

Poor investment on child protection is in itself a reflection of the low priority this sector has received in government's own planning and implementation. The neglect of vulnerable children - street children, orphans, migrant children, trafficked and sexually abused children - in our policy and financial statements is obvious when we review budgetary allocations over the years. Ever since child budget analysis has been undertaken in India, the share of child protection in the Union Budget has remained even lower (0.03 percent) than what the States show. Allocation made for child protection is negligible when compared to the number of children falling out of the safety and protective net. While there is no denying that education is, and has to be one of the most important sectors, if children's right to protection is not met, every other right is at stake.

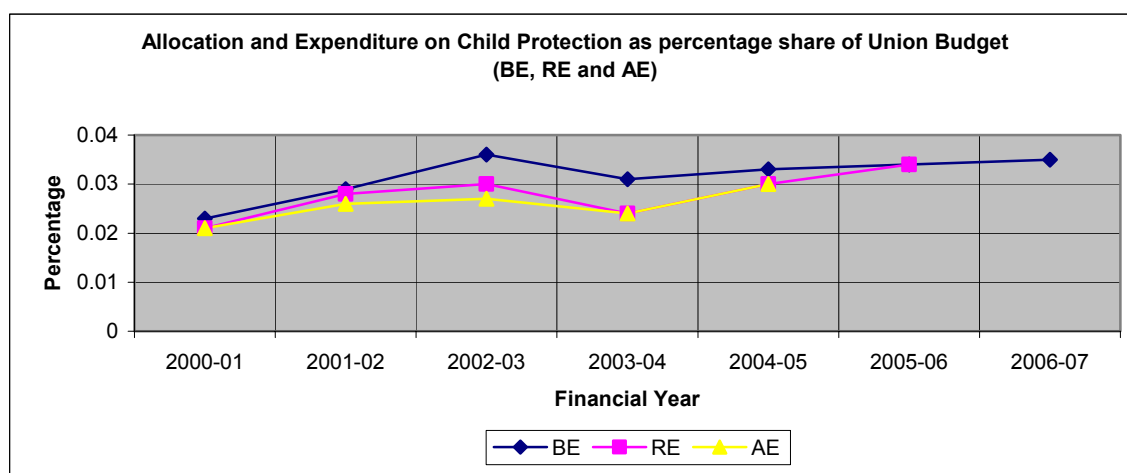
On an average, between 2000 and 2005, of every 100 rupees spent by the Union Government only 3 paise was spent on child protection, while the share of child health was 40 paise followed by child development (45 paise) and elementary education (1 Rupee 50 paise).

Average percentage share of children in Union Budget in the Tenth Plan Period (BE, RE and AE)			
	BE (2000-2007)	RE (2000-2006)	AE (2000-2005)
Child Health	0.064	0.475	0.401
Child Development	0.525	0.45	0.456
Child Education	1.933	1.647	1.514
Child Protection	0.032	0.028	0.028
Union Budget	100	100	100

Source: Demands for Grants (2000-2007) for relevant Ministries/Departments and Expenditure Budget Vol. 1 (2000-2007)

Sectoral Analysis

Child Protection



The least attended sector in terms of political commitments as well as investments is child protection. With a child protection budget constituting only 0.34 percent of the total Union Budget, nothing can be achieved in terms of building a protective environment for children of the country. Moreover, small grants for child protection under various schemes fails to address child protection holistically and only adds to the problem of implementation and monitoring.

The budget for child protection largely addresses two very specific categories of children in difficult circumstances – child labour and children that fall within the purview of the juvenile system either as street children or as children in conflict with law or children requiring alternative care such as adoption. Budget for child labour elimination programmes indeed comprises the major share within child protection.

The Ministry of Labour's Citizen's Charter clearly lays down elimination of child labour from hazardous sectors by the end of 10th plan as one of its goals. Government of India's expenditure for mainstreaming one child labour in regular school education is Rs. 3569. According to the Census of India - 2001, the total number of working children in India is 1,25,91,667. This implies that for mainstreaming all 1,25,91,667 child labourers in education, which is the commitment of government under Article 21A of Indian Constitution, India will need Rs. 4493.966 crore per year at the rate of Rs. 3569 per child per year.

In the Revised Estimates of 2005-06 there was a huge gap of Rs. 4378.516 crore between the need and allocation for elimination of child labour.

In the Tenth Plan period, 250 Districts in 20 states were covered under NCLP. The need for NCLP in these 250 districts continues even in the Eleventh Plan period. At the same, additional districts will have to be reached in the next plan period. Besides the Parliament's decision to ban employment of children in domestic work and dhabas and restaurants with effect from October 10, 2006 calls for far more inputs in terms of programmes and services for children thus released from labour. The Ministry of Labour along with the Planning Commission will have to accordingly plan a higher outlay in the Eleventh Plan.

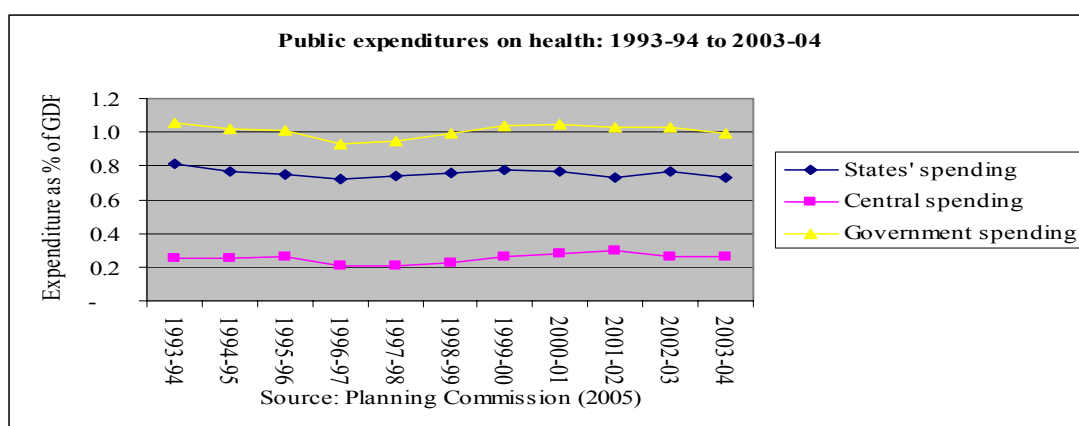
For all other child protection issues there are no national measurable goals and targets against which progress can be gauged but for what has been laid down in the National Plan of Action for Children 2005 (NPAC). The Eleventh Plan must therefore follow the NPAC goals on child protection. One of the biggest hurdles in setting goals and targets for child protection is lack of precise data and information.

In order to meet the challenges of child protection both in terms of maintaining a data base and planning for the numbers reflected through it, the Ministry of Women and Child Development, Government of India proposes a centrally sponsored scheme "Integrated Child Protection Scheme (ICPS)", which not only brings all existing child protection schemes of the Ministry under one window but also proposes an increased allocation for child protection programmes in the Union Budget. The Ministry is making serious efforts to have the proposed scheme included in the Eleventh Plan document for ensuring necessary fund allocation.

Getting required allocation and then ensuring optimal utilization of funds has always been a challenge for any Ministry. Given the globalisation, liberalisation and privatization of the economy and essential social sector services, a large numbers of population are falling out of the social security net, with more and more children in particular falling into difficult circumstances. In such a situation, ideally increased budget should lead to increased spending also. However, monitoring is critical to this and budget analysis is just another tool to ensure greater accountability of public finances.

State Budget Analysis

States are primarily responsible for the provision of social sector services, yet are dependent to a certain extent on flows from the Central government. The graph below indicates the importance of the state's contribution to the health sector as an example. Many states are, however, not contributing sufficient finances to social sector spending. Where states are unable to match Central grants, the implementation of important social schemes may be adversely affected¹.



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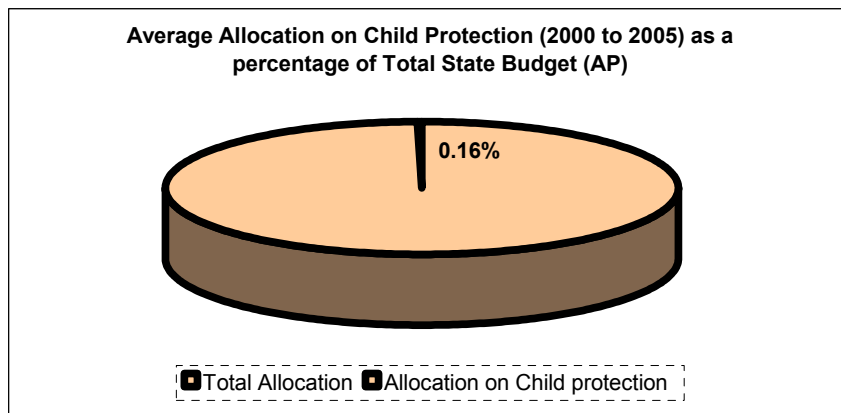
¹ UNICEF. Child Budgeting in India: Analysis of Recent Allocations in the Union Budget

capita expenditure on health by the central government went up from Rs.89 in 1993-94 to Rs. 122 in 2003-04. Despite this increase, however, levels of public spending remain insufficient. This is because health is primarily financed by state governments– and state spending is low and inadequate. For instance, per capita public expenditure by states in 2003-04 varied from Rs. 77 in Bihar, Rs. 91 in Uttar Pradesh and Rs. 98 in Rajasthan to Rs. 275 in Kerala, Rs. 294 in Punjab and Rs. 485 in Delhi. It is also found that state governments tend to cut back their spending as allocations by the Centre increase.

The weakening capacity of states to raise matching grants could be explained to a large extent by the accumulation of debt and mounting debt service burden, as well as the rising share of committed but non-developmental expenditures in a context of low and declining non-state revenues and increasing contingent liabilities, such as guarantees on loans. There are significant variations in state allocations for child-focused expenditures. States with larger child populations are spending disproportionately less on child-related sectors, with some exceptions and variations.

Analysis of child budgets in some States clearly points to the need for higher investment by the States on child protection.

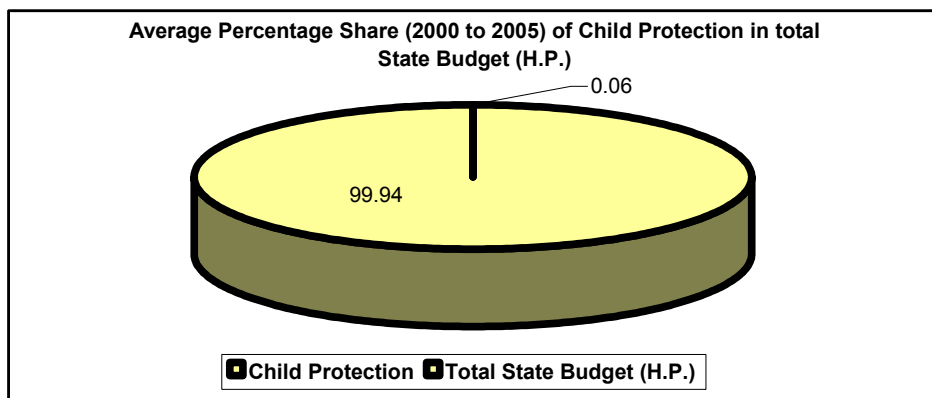
Child Protection in Andhra Pradesh



Average allocation for child protection in Andhra Pradesh

between 2000-2005 comes to 0.16 percent of the total State budget.

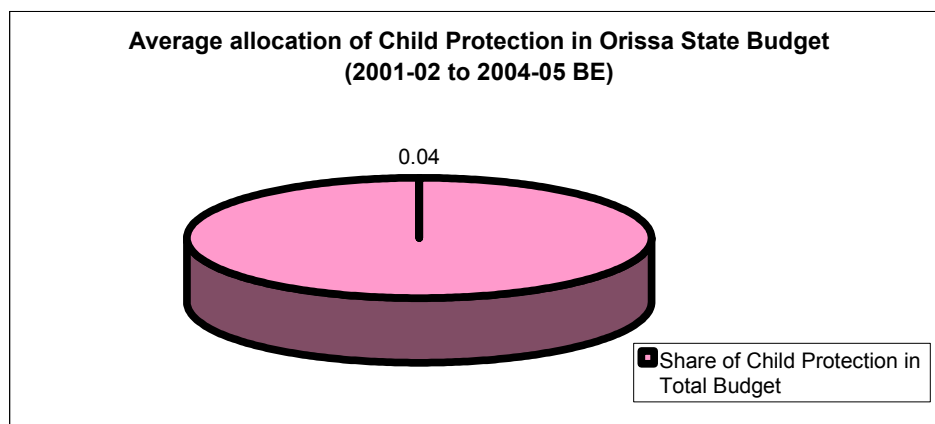
Child Protection in Himachal Pradesh



On an average, the

allocation for child protection in Himachal Pradesh is 0.06 percent of the total State Budget Allocation.

Child Protection in Orissa



On an average, the share of child protection in the total State Budget Allocation (Budget Estimates) in Orissa is 0.04 per cent respectively.

The child protection allocation in the States includes allocations under Centrally Sponsored Schemes as well as the State's own contribution to the sector. It is clear from child budget analysis that the States by themselves are not investing adequately on child protection and proper implementation of most centrally sponsored schemes is lacking for want of the State's share.

Some of the problems relating to child budgeting that have been identified over the years include:

- Gaps in budget estimates and expenditure;
- Problems in flow of funds from the Centre to the State;
- Inability of States to meet the matching grant requirement from the State in the case of Centrally Sponsored Schemes;
- Inadequacy of mechanisms to check misappropriation and misuse of funds;
- Dependence on external aid;
- Flaws in the very planning of various Ministries and Departments itself; and most importantly; and,
- Lack of meaningful communication and coordination between the Planning Commission, the Finance Ministry and the Ministries/Departments concerned with child protection issues at the stage of formulation of the five-year plan, mid-term review and final evaluation of the plan period

The gaps and problems listed above have been bothering both Government and NGOs alike. Child Budgeting must be taken as a serious exercise and needs to be encouraged and undertaken at all levels of governance to identify and address the shortcomings of financing the social sector, particularly programmes relating to children. The exercise must begin at the very level of panchayats, the very basic unit of democratic functioning. For this to happen, the Eleventh Plan will have to focus on decentralised planning for all sectors. This will logically result in decentralized monitoring through analysis of allocation and spending by the panchayats against the plans they had made.

The NPAC 2005 has articulated clearly the rights perspective and agenda for the development of children, and provides a robust framework within which to promote the development and protection of children. It is therefore logical and imperative that the NPAC 2005 becomes the basis for planning for children in the Eleventh Plan in all sectors and the principles articulated in it guide the planning and investments for children.

With the State Government's having a major share of the responsibility for implementation of social sector schemes, declining flows of funds from the Centre to the States is a serious challenge and may adversely affect the provisioning of social services in States. To address this significant set of financial constraints, effective policy action is required, either in the form of increased transfers from the Centre, and/or greater pressure on States to prioritize their expenditures in line with policy commitments to the social sectors and to children.

Child protection must receive necessary financial commitment from the Planning Commission as well as the Finance Ministry. Support to the Ministry of Women and Child Development's proposed ICPS will be a step in this direction. All budget for child protection schemes and programmes should be in the plan category and not in the non-plan category.

Improved targeting of districts having high incidence of female foeticide, high rate of violence or crimes against children, high incidence of child sexual abuse, source areas for child trafficking etc., are also important measures that can improve outcomes.