



BUDGET 2015-16

## NEGLECT THE NEGLECTED

*DID WE ASK FOR IT?*

## Bullets from Budget 2015-16 and Emerging Concerns

- T** The allocation for children sees a decline from Rs. 81075.26 Crore to Rs. 57918.51 Crore: 40%.
- *Alas! A huge decline indeed. It was expected that the present Government will not stonewall essential child survival, child development and protection related interventions, but the slashed allocations betray the same.*
- T** In education sector, under Sarva Shiksha Abhiyan (SSA), cuts are deeper by more than Rs. 5700 Crore: 23.7%. Further, as per annexure 8-A of the Expenditure Budget of 2015-16, SSA is to be fully supported by the Central Government. Hence, the reduction is a foregone conclusion which cannot be made up from the sharing pattern as stipulated by the 14<sup>th</sup> Finance Commission.
- *Confronting the challenge of universalisation and quality is going to be more formidable!*
- T** Allocation for Mid-Day Meals (MDM) downsized by 36%. Further, as per annexure 8-A of the Expenditure Budget of 2015-16, MDM is to be fully supported by the Central Government. Hence, the reduction is a foregone conclusion which cannot be made up from the sharing pattern as stipulated by the 14<sup>th</sup> Finance Commission.
- *Is it an indirect incision at food security? Why?*
- T** Budgetary allocation for Rashtriya Madhyamik Shiksha Mission Abhiyan (RMSA) reduced by 41.2%. Further, as per annexure 8-A of the Expenditure Budget of 2015-16, the RMSA is to be in accordance with the changed sharing pattern. It needs to be seen as to the extent that this reduction would be made up as has been stipulated by the 14<sup>th</sup> Finance Commission.
- *It needs a closer scrutiny whether the RMSA will be adequately funded.*
- T** In 2014-15, Government of India allocated Rs. 300 Crore for National Nutrition Mission (NNM), of which only Rs. 20 Crore remained in the Revised Estimates. Further, as per annexure 8-A of the Expenditure Budget of 2015-16, the NNM is to be fully supported by the Central Government. Hence, the reduction is a foregone conclusion which cannot be made up from the sharing pattern as stipulated by the 14<sup>th</sup> Finance Commission.
- *Does it mean that the department itself is not inclined to establish this particular institution? Are the commitments flying apart?*
- T** The allocation under the Integrated Child Development Scheme (ICDS) has dropped from Rs. 18195 Crore to Rs. 8335.8 Crore: 59.6% reduction. Further, as per annexure 8-A of the Expenditure Budget of 2015-16, the ICDS is to be in accordance with the changed sharing

pattern. It needs to be seen as to the extent that this reduction would be made up as has been stipulated by the 14<sup>th</sup> Finance Commission.

- *It needs a closer scrutiny whether the ICDS will be adequately funded.*

T Allocation for Integrated Child Protection Scheme (ICPS) virtually stagnant, given the very marginal increase from Rs. 400 Crore to Rs. 402.2 Crore. Further, as per annexure 8-A of the Expenditure Budget of 2015-16, the ICPS is to be fully supported by the Central Government. Hence, the level of funding is a foregone conclusion which cannot be made up from the sharing pattern as stipulated by the 14<sup>th</sup> Finance Commission.

- *Is an indifference to children's need is creeping in?*

T There was no allocation made for "Beti Bachao Beti Padhao Abhiyan" last year. However, an allocation of Rs. 50 Crore was made in the revised estimates. Now, it has been doubled to Rs. 100 Crore in the current year.

- *Is it consistent with the Abhiyan's needs or the Abhiyan in itself is only a lip service?*

T Allocation vs. Expenditure for children in 2014-15 speaks the truth. An allocation of Rs. 81075.3 has been revised downwards to Rs. 69888, as per the revised estimates (RE).

- *When commitments do not translate in to action, figures in budgetary jugglery change, as has happened now. Manifestation is that Rs. 11187.3 have been snatched away from the children. Why shouldn't it be opposed?*

T At the end of the budget speech, it is said that State Governments will not lose anything because of the new allocation mechanism under 14<sup>th</sup> Finance Commission.

- *An obscured fact is a betrayed truth! Yes or no?*
- *Needs clarity and an unambiguous insight!*

T Highest allocation has been made for Defense at Rs. 246727 Crore, up by Rs 24357 Crore. This increased amount in itself is higher than the Total Health and Nutrition allocation for the 39% of India's population constituted by children. Focus is on border areas and physical defense.

- *Arguing for or against the country's defense is not the question. The question is as to how much the government succeeds in promoting internal and external peace.*
- *How will the government defend the nation when its own masses have to live with preventable diseases and hunger?*
- *Can the frontiers of the nation remain safe if the people at large continue to suffer due to avoidable mortality, morbidity and hunger?*

T Highest proportionate increase can be seen in respect of roads and highways, allocation has been pushed up from Rs. 34345.2 Crore to Rs. 45751.6 Crore: an increase by 33.2%.

- *A welcome investment. Hopefully, concomitant measures are taken to ensure that there is check on spiraling accidental injuries and deaths.*

**T** An emphasis is being given on “growth”. There is talk about the federal structure.

- *However, Panchayats and Gram Sabhas are conspicuous by their absence in describing the federal structure. Government of India will be building infrastructure. Investment in infrastructure sans people’s participation!*

**T** The budget speech refers to ‘maximum governance with minimum government’.

- *We witness total disconnect among the sectors starting from the perspective to implementation. The governance is also mired in ‘arrogance’ of power. “Convergence” is one of the significant cornerstones of minimum government and maximum governance. However, it continues to remain a far cry! Why no stated call to action on convergence in government?*

#### Children's WELLBEING Vs State's Priorities

Financial Year	In Budget	GoI's Total Budget Total	Budget for Children	Share for Children in %	Education	Share %	Health and Nutrition	Share %	Child Protection	Share %
2012-13	BE	1490925	71028.11	4.76	50192.92	3.37	18876.45	1.27	1768.86	0.12
2012-13	RE	1430825	67060.59	4.69	47002.40	3.28	18300.62	1.28	1674.55	0.12
2013-14	BE	1665297	77235.95	4.64	54485.26	3.27	21717.12	1.30	1774.6	0.11
2013-14	RE	1590434	72496.21	4.56	52077.71	3.27	18672.9	1.17	1607.27	0.10
2014-15	BE	1794892	81075.26	4.52	57421.24	3.20	21605.44	1.20	1891.1	0.11
2014-15	RE	1681158	69887.99	4.16	48600.83	2.89	18928.18	1.13	1162.77	0.07
2015-16	BE	1777477	57918.51	3.26	44513.62	2.50	10826.71	0.61	1795.77	0.10

#### India's Central Budget 2015-16 : Children out of Center!

Section and Programs for Children	2014-15 (BE) Crore Rs.	2014-15 (RE) Crore Rs.	2015-16 (BE) Crore Rs.	Change from 2014 (BE) %	Change in BE and RE for the FY 2014-15 %	Down or Up?
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India's Central Budget 2015-16 : Children out of Center!						
Section and Programs for Children	2014-15 (BE) Crore Rs.	2014-15 (RE) Crore Rs.	2015-16 (BE) Crore Rs.	Change from 2014 (BE) %	Change in BE and RE for the FY 2014-15 %	Down or Up?
Sarva Shiksha Abhiyan	27758.00	24330.00	22000.00	-23.67	-12.35	↓
Health and Family Welfare	2914.44	2231.58	2277.94	-28.52	-23.43	↓
Mid Day Meal	13215.00	11050.90	9236.40	-36.00	-16.38	↓
Rashtriya Madhyamik Shiksha Mission Abhiyan – RMSA	5000.00	3480.10	3565.00	-41.23	-30.40	↓
National Scheme for Incentive to Girl Child for Secondary Education	0	0	100	New Allocation		↑
Scheme for Providing education to Madrassas/Minorities	275.00	143.78	375.50	69.90	-47.72	↓
Social Justice and Empowerment (Hostels for SC/OBC/Boys and Girls)	1107.13	853.20	1178.28	8.34	-22.94	↑
Disability and Affairs	47.00	30.20	36.55	-34.60	-35.74	↓
Education for ST Girls and Umbrella Scheme for Education	1059.20	1070.01	1170.74	10.42	1.02	↑
ICDS	18195.00	16561.60	8335.77	-59.53	-8.98	↓
ICPS	400.00	450.00	402.23	0.50	12.50	↓
National Nutrition Mission	300.00	20.00	304.79	23.95	-93.33	↓
Beti Bachao Beti Padhao Campaign	0	50.00	100.00	200.00		↑
<b>Total for Children</b>	<b>81075.26</b>	<b>69887.99</b>	<b>57918.51</b>	<b>-28.56</b>	<b>-13.80</b>	↓

**Alarm bells on socially-deprived sections:**

- Government has also cut the budget for vulnerable sections by more than one-third.
- Decline of almost 39% for Scheduled Caste.
- Decline of almost 38% for Scheduled Tribes.

<b>India's Central Budget 2015-16 : SC and STs are also out of Center!</b>						
<b>Social Sections</b>	<b>2014-15 (BE)</b>	<b>2014-15 (RE)</b>	<b>2015-16 (BE)</b>	<b>Change from 2014 (BE)</b>	<b>Change from 2014-15 (RE)</b>	<b>Change in BE and RE for the FY 2014-15</b>
<b>Total for Children</b>	81075.26	69887.99	57918.51	-28.562	-20.67	-13.80
<b>Total for SC</b>	50548.16	33638.11	30850.88	-38.9674	-9.03	-33.45
<b>Total for ST</b>	32386.82	20535.52	19979.77	-38.3089	-2.78	-36.59
<b>Total for Women</b>	78844.91	69948.05	65753.29	-16.6043		-13.8206

## Major Heads

<b>Heads</b>	<b>2014-15 RE Rs. In Crore</b>	<b>2015-16 BE Rs. In Crore</b>	<b>Change Rs. In Crore</b>
<b>Food Subsidy</b>	122676.00	124419.00	+1743.00
<b>Fertilize Subsidy</b>	70967.00	72969.00	+2002.00
<b>Defense Expenditure</b>	222370.00	246727.00	+24357.00
<b>Total Revenue (Tax and Non-tax)</b>	1577029.00	1671223.00	
<b>Total Government Expenditure</b>	1794891.96	1777477.04	
<b>Central Assistance to State and UTs</b>	278167.83 (Estimates: 338408.49)	204784.01	

## Do words have any importance?

Let's count a few words in the Budget Speech. The total word count of the Budget Speech was 17997. Whilst a few words were mentioned many times, some were completely missing. It is not about doing some literary work, but it is all about getting a clue about perceived priorities. What you would like to feel, it is up to you, after seeing these examples:

- The word "Tax" was mentioned 95 times
- "Company" was uttered 10 times
- "Market" mentioned 15 times.
- Terms "Bima and Insurance" were among the most important ones mentioned again and again in the Budget Speech. These appeared for 16 times.

On the other hand, the word "Child or Children" was mentioned only 6 times, "Equality" and "Vulnerable" found reference only ONCE!

There are a few words which did not find a place in the budget speech of the central government of the largest democracy in the world. These are:

- ❖ Rights
- ❖ Entitlements
- ❖ Deprivation
- ❖ Hunger
- ❖ Panchayat
- ❖ Gram Sabha
- ❖ Decentralization
- ❖ Transparency; and
- ❖ Accountability amongst others!

Look at it Overall - Where Government Resources are Going?				
Department and Sections	Total 2014-15 BE <sup>1</sup> In Crore Rs.	Total 2014-15 RE <sup>2</sup> In Crore Rs.	Total 2015-16 BE In Crore Rs.	Change BE to BE %
<b>WCD</b>				
<b>WCD Total</b>	<b>21193.88</b>	<b>18588.39</b>	<b>10382.40</b>	<b>-51.01</b>
<b>Public Health</b>				
<b>Department of Health Research</b>				
<b>Grand Total</b>	1017.67	932.00	1018.17	0.05
<b>Department of Health &amp; family welfare</b>				
<b>Grand Total</b>	38445.79	32324.79	32368.67	-15.81
<b>Department of Aids Control</b>				
<b>Grand Total</b>	1785.00	1300.00	1397.00	-21.74
<b>AYUSH</b>				
<b>Grand Total</b>	1272.15	691.00	1214.00	-4.57
<b>Public Health Total</b>	<b>40735.61</b>	<b>33947.79</b>	<b>34600.84</b>	<b>-20.33</b>
<b>Rural Development</b>				
<b>Dept. of Rural Development</b>				
<b>Grand Total</b>	121746.83	108857.65	114047.58	-6.32

<sup>1</sup> BE: Budget Estimates

<sup>2</sup> RE: Revised Estimates

<b>Look at it Overall - Where Government Resources are Going?</b>				
<b>Department and Sections</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Change</b>
	<b>2014-15 BE<sup>1</sup> In Crore Rs.</b>	<b>2014-15 RE<sup>2</sup> In Crore Rs.</b>	<b>2015-16 BE In Crore Rs.</b>	<b>BE to BE %</b>
<b>Department of Land Resources</b>				
<b>Grand Total</b>	3759.19	2508.95	1637.5	-56.44
<b>Rural Development Total</b>	<b>125506.02</b>	<b>111366.6</b>	<b>115685.08</b>	<b>-7.83</b>
<b>Social Justice</b>				
<b>Dept. Of Social Justice and Empowerment</b>				
<b>Grand Total</b>	6212.74	5452.05	6524.82	5.02
<b>Dept. Of Disability Affairs</b>				
<b>Grand Total</b>	632.89	441.06	636.94	0.64
<b>Social Justice Total</b>	<b>6845.63</b>	<b>5893.11</b>	<b>7161.76</b>	<b>4.62</b>
<b>Dept. Of Tribal Affairs</b>				
<b>Tribal Affairs Total</b>	4497.96	3871.88	4819.21	7.14
<b>Dept. Of Minority Affairs</b>				
<b>Minority Total</b>	<b>3734.01</b>	<b>3165</b>	<b>3738.11</b>	<b>0.11</b>
<b>Environment, Forest &amp; Climate change</b>				
<b>Environment, Forest and Climate Change Grand Total</b>	<b>2510.5</b>	<b>1994.1</b>	<b>1937.6</b>	<b>-22.82</b>
<b>Labour &amp; Employment</b>				
<b>Labour &amp; Employment Grand Total</b>	<b>5803.31</b>	<b>4504.87</b>	<b>5568.71</b>	<b>-4.04</b>
<b>Food Programs</b>				
<b>Food &amp; public distribution</b>				
<b>Grand Total</b>	126484.34	134476.54	136537.55	7.95
<b>Consumer Affairs</b>				
<b>Grand Total</b>	310.79	230.88	276.77	-10.95
<b>Food Programs Total</b>	<b>126795.13</b>	<b>134707.42</b>	<b>136814.32</b>	<b>7.90</b>
<b>Water resources, river development &amp; Ganga rejuvenation</b>				
<b>Water Resources, River and Ganga Grand Total</b>	<b>15375.74</b>	<b>7540.83</b>	<b>6381.03</b>	<b>-58.50</b>



Look at it Overall - Where Government Resources are Going?				
Department and Sections	Total	Total	Total	Change
	2014-15 BE <sup>1</sup> In Crore Rs.	2014-15 RE <sup>2</sup> In Crore Rs.	2015-16 BE In Crore Rs.	BE to BE %
<b>Housing &amp; Urban Poverty Alleviation</b>				
Housing and Urban Poverty Grand Total	6008.62	3413.44	5634.47	-6.23
<b>Atomic Energy</b>				
Atomic Energy				
Grand Total	11249.44	10385.44	12085.44	7.43
Nuclear Power				
Grand Total	4897.49	4296.99	4859.65	-0.77
Atomic Energy Total	16146.93	14682.43	16945.09	4.94
<b>New &amp; Renewable energy</b>				
New and Renewable Energy Grand Total	2534.39	2532.89	2803.21	10.61
<b>Urban Development</b>				
Urban Development				
Grand Total	17628.60	11013.04	16832.24	-4.52
Public Works				
Grand Total	2348.02	2118.80	2342.84	-0.22
Stationary & Printing				
Grand Total	279.13	248.43	257.69	-7.68
Urban Development Total	20255.75	13380.27	19432.77	-4.06
<b>Micro, Small &amp; Medium Enterprises</b>				
Micro, Small and Medium Enterprises Grand Total	3702.00	2885.02	3007.42	-18.76
<b>Chemical &amp; Petrochemical</b>				
Chemical& Petrochemical				
Grand Total	270.68	225.73	255.18	-5.73
Fertilizers				
Grand Total	77200	75095.05	77147.8	-0.07
Pharmaceuticals				
Grand Total	247.87	137.04	259.02	4.50
Chemical & Petrochemical Total	77966.42	75457.82	77662	-0.39

Look at it Overall - Where Government Resources are Going?				
Department and Sections	Total	Total	Total	Change
	2014-15 BE <sup>1</sup> In Crore Rs.	2014-15 RE <sup>2</sup> In Crore Rs.	2015-16 BE In Crore Rs.	BE to BE %
<b>Agriculture</b>				
Agriculture & Cooperation				
Grand Total	22652.25	19852	17004.35	-24.93
Agricultural Research & Education				
Grand Total	6 144.39	4884	6320	2.77
Animal Husbandry, Dairying & Fisheries				
Grand Total	2786.31	2297	2136.16	-23.33
<b>Agriculture Total</b>	<b>31582.95</b>	<b>27033</b>	<b>25460.51</b>	<b>-19.39</b>
<b>Road Transport &amp; Highways</b>				
Road and Highways Grand Total	34345.20	33305.00	45751.65	33.21
<b>Defence</b>				
Defence Grand Total	229000.00	222370.00	246727.00	7.74
<b>Development of North Eastern Region</b>				
NE Region Grand Total	2332.78	1825.45	2362.74	1.28
<b>Panchayati Raj</b>				
Panchayat Grand Total	7000.70	3400.69	94.75	-98.65
<b>Space</b>				
Space Grand Total	7238.00	5826.00	7388.19	2.08
<b>Education</b>				
School Education and Literacy	82695.10	69058.26	69794.50	-15.60
Higher Education	27656.00	23700.00	26855.26	-2.90
<b>Education Grand Total</b>	<b>110351.10</b>	<b>92758.26</b>	<b>96649.76</b>	<b>-12.42</b>

## Reality of Revenue Collections in India

The Tax–GDP Ratio in India is approximately 17%, which includes Central and State Taxes. We all know that, in the name of “Employment and Growth”, Government of India gives tax waiver to different sectors. For the Year 2014-15, the amount of “Revenues Forgone” has reached an all-time high in India’s History at a staggering level of Rs. 5.89 Lakh Crore. Whilst we have been facing challenges of revenues forgone, we now come to know that an equally huge amount of Rs. 5.83

Crore which has been raised (which was to be received/collected by the Government) has yet to be realised as it remains stuck in dispute. The table below renders details on the same:

<b>Tax Revenues raised but not realized (Principal Taxes)</b>			
<b>Rs. Crore</b>			
	<b>Under Dispute</b>	<b>Not under dispute</b>	<b>Grand Total</b>
<b>Taxes on Income and Expenditure</b>	<b>410523.00</b>	<b>65196.00</b>	<b>475719.00</b>
<b>Taxes on Commodities and Services</b>	<b>92821.14</b>	<b>14807.08</b>	<b>107628.22</b>
<b>Total</b>	<b>503344.14</b>	<b>80003.08</b>	<b>583347.22</b>

### **Issues arising out of recommendations of 14<sup>th</sup> Finance Commission**

- ✓ 14<sup>th</sup> Finance Commission notes as follows in its report: “We consider health, education, drinking water and sanitation as public services of national importance, having significant inter-state externalities. However, in our view, the grants to these sectors should be carefully designed and implemented and an effective monitoring mechanism put in place with the involvement of the Union Government, State Governments and domain expertise. Therefore, we have desisted from recommending specific-purpose grants and have suggested that a separate institutional arrangement be introduced for the purpose”
- ✓ Therefore, it needs a more insightful clarity as to the nature of sharing of revenue between the Centre and the States before any further immediate responses can be offered. What is of course of serious concern is that it needs a much louder assertion on the part of the governments, both at the Centre and States that they are committed to ensure that the requirements of the social development sector would be duly met with, what to speak of being compromised with! Regrettably at present, the perceived perception is that the cuts in the social sector appear to be directed at providing relief to the corporate sector. Sooner that the situation is placed in a clearer perspective, better it is.

**With the snapshot as above, you decide as to what is what and what needs to be what!**