

eSSays

Maharashtra series: 3

13th November, 2014



ECONOMIC EVALUATION OF MINORITY WELFARE

Economic Evaluation of Minority Welfare

Published by IKF (IRIS Knowledge Foundation), Mumbai, India.

E-book: August 2014

www.esocialsciences.org

This eSSay on Economic Status of Minorities by RituDewan and Sandhya Mhatre is part of a series on Maharashtra focusing on major development issues in the state. We are grateful to the author for taking the time and effort to prepare and write the essay for eSS.

eSS Staff:

Aritra Chakrabarty

Nandini Bhattacharya

Aarti Salve

Lakshmi Priya

Rituparna Dutta

Design, Layout and Web:

Nitin Shedge

Vijay Vaghela

Comments may be sent to:

editor@esocialsciences.org and/or dewan.ritu@gmail.com, sandhyairf@yahoo.com

Economic Evaluation of Minority Welfare

The authors review the conceptualisation, and implementation of policies related to the welfare of minority communities in India, with a special focus on Muslims as a minority group. Using the case study of Maharashtra, the authors examine the various policies and funds allocated for those policies, up to the district level for different marginalised social and religious groups, in order to understand the larger question of the approach towards development of minority communities, especially the Muslims.

Ritu Dewan

Director & Professor, University of Mumbai

E-mail: dewan.ritu@gmail.com

Sandhya Mhatre

Research Investigator, University of Mumbai

E-mail: sandhyairf@yahoo.com

Introduction

India is a complex, heterogeneous country, where a complex web of social stratification leads to marginalisation of various kinds. Religious identity and marginalisation based on that identity is one of the many facets of that marginalisation.

Marginalisation of minorities is a complicated issue, especially in view of the recent changes in the political economy of India. The pattern of economic growth, the nature of urbanisation and urbanism, livelihood opportunities, strategies of survival, and, of course, the dramatic changes in the political discourse have all meshed together to create a deeply altered situational, as well as locational context of not only ghettoisation, but also extended exclusion. Fundamental to the political economy of exclusion is the perception of their problems being ‘merely social’, with the State response being primarily in the form of schemes aimed at improving education and ‘up-liftment’.

The Constitution of India identifies two kinds of minorities – linguistic and religious. Religious minority communities comprise of Muslims, Buddhists, Christians, Jain, Sikhs, Parsis, and Jews, the largest being the first two respectively. The deprivation of the Muslim community is well documented through reports of commissions, which propelled the Muslim community to the centre of the development debate. One of these is the Sachar Committee (which presented its findings in 2006) which brought to the

fore the social, economic and educational backwardness of the Muslims community, in comparison with other social and religious groups. This report pointed out that this community is deeply impoverished, has high rates of illiteracy & drop-outs, a depleting asset base, below average work participation and lack of stable and secure employment. The report also revealed that the Muslim community had limited access to government schemes and other facilities, and as a consequence performed even worse than the worst performing social groups like the Scheduled Castes (SC), Scheduled Tribes (ST) and the Other Backward Classes (OBC).

This paper hopes to provide an overview of the implementation of minority schemes, with a special focus on Muslims as a minority group in Maharashtra, and review the various policies and funds allocated for these policies up to the district level.

Minorities in Maharashtra

It must first be pointed out that the term 'minorities' was out of the development and policy debate right up to the Eighth Five Year Plan (1992-1997) when the word was used for the first time in the planning documents, although no specific development programmes were formulated for the minorities. It was only during the Tenth Five Year Plan (2002-2007) that the implementation of provisions for minorities began, with the focus on the socio-religious development of different marginalised groups, including women and minorities.

The Ministry of Minority Affairs (MMA) was created at the national level on 29th January, 2006 to ensure a more focused approach towards issues relating to the minorities. Besides the formation of the ministry, various schemes such as pre-matric, post-matric scholarships, merit cum means scholarships, Prime Minister's (PM) new 15 point programme, etc. were also introduced.

As 2011 data has yet to be released, we are forced to use 2001 data. According to the 2001 census, the minority population in Maharashtra was 17.9 per cent of the total population, with Muslims accounting for 54 per cent of the total Minority population, and concentrated mainly in the regions of Mumbai, Marathwada, Konkan and Vidarbha. Pre-2006 or before the formation of MMA, in Maharashtra, as well in the entire country, the welfare schemes for development of minority group have been few and far between, one being the Maulana Azad Alpasankhyak Arthik Vikas Mahamandal which was established in 2000 to address the financial and social development of minorities. The purpose of this autonomous body was to provide for financing loan for self-employment, education etc. It implemented many schemes like Maulana Azad Direct Loan Scheme, Unnati Term Loan, Mahila Samruddhi and education loan. The authorised and paid up share capital of the corporation was INR 170 cr. and INR 166.31 cr. respectively (Maharashtra Economic Survey 2010-11).

During the period from 2004-05 to 2012-13, the National Minorities Development and Finance Corporation (NMDFC) in Maharashtra State disbursed INR 39.40 crores to 8926 beneficiaries for Term Loan Scheme (www.indiastat.com). The target under Priority Sector Lending (PSL) for Minorities in Maharashtra during 2010-2011 to 2011-2012 was INR 39862.44 crore but only INR 24841.4 crores were disbursed i.e. 37 per cent amount was unspent.

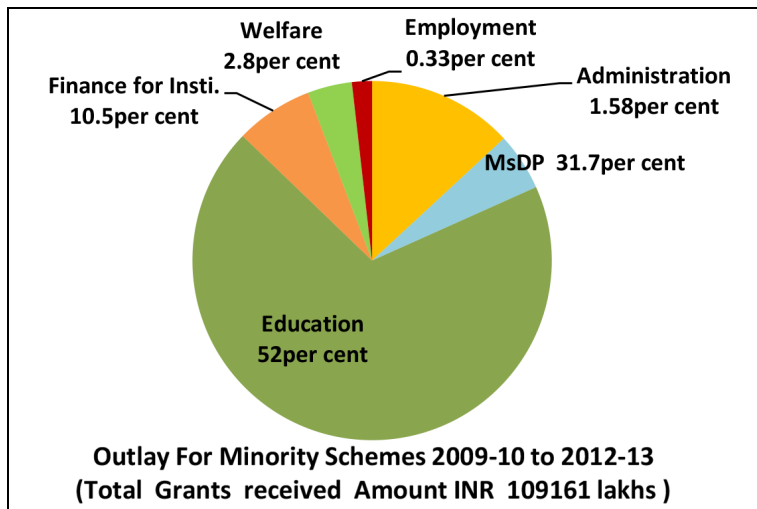
Further, even when the MMA was formed at the Centre in 2006, the Minorities Development Department was formed as a separate Administrative Department by the Government of Maharashtra only in 2008. The PM's 15 point programme is implemented through the concerned State Departments such as School Education and Literacy, Women and Child Development, Housing and Urban Poverty Alleviation (HUPA), Labour and Employment, Finance Department, Drinking Water and Sanitation, Human Resource Development. The funds for each scheme are shared between the Centre and the State. However, in comparison to the various development schemes for the other socially marginalised communities like the SCs and the STs, the number of schemes as well as the budget allocated for religious minority development schemes is extremely low.

The budget outlay under the 11th Five Year Plan for SCs was INR 28050 cr. and for STs it was INR 24474.99 cr. respectively for 172 SC schemes and 91 ST schemes. In contrast, the provisional outlay for minority development was only INR 1685 cr., out of which a pathetic INR 275 cr. was received. As a direct consequence of such limited allocation and even lower amount received, various programs for development of minorities had to be pruned to fit the provisional outlay. Further, unlike the SCs and STs, there is no provision of a special component plan for minorities because of which the funds allocated are much less than warranted.

Even though the numbers of schemes for minority groups have increased since 2006, the measures taken by the state for the development of minorities are extremely inadequate in comparison to steps taken for development of other marginalised communities. It is important again to reiterate that the intention is not to say that the measures taken for the development of other marginalised groups should be reduced, rather that equal measures should be taken for the development of all marginalised groups.

The development of any community is never a unilateral process and thus has various aspects to it. Therefore, despite the minimal budget allocation for minority development, it is important to also see the different areas for which the budget is allocated and the percentage of outlay for each area. The outlay has been categorised into six parts – Administration, Education, Employment, and Finance for Institutions, Multi-sectoral Development Programme and Welfare.

Figure 1: Outlay For Minority Schemes 2009-10 to 2012-13



Source: Based on Annexure II

The total grants-in-aid was INR 1239.90 crores with 23 per cent of the amount sanctioned being unspent during 2009-10 to 2012-13.

52 per cent of the total grant in aid was earmarked for Education, 24 per cent of which remained unspent. which included funds for uniforms, incentive to parents for attendance, higher education scholarships, free coaching, starting 2nd and 3rd shifts trainings in existing ITI, openings of Industrial Training Institutes (ITI), polytechnics, hostels, short term trade base courses, providing bicycles, basic infrastructure. etc. The second major share of 31.7 per cent was allocated for Multi-sectoral Development Programme (MsDP), the special area development programme for minority concentrated areas. However, 19 per cent was unspent amount in this category.

10.9 per cent of the total grants were allotted as share capital to finance the institutions such as Maulana Azad Alpasnkhyank Arthik Vikas Mahamandal (MAAAVM) and the state branch of National Minorities Development and Finance Corporation (NMDFC). 2.8 per cent of the total outlay was for welfare schemes, which includes allocation for Wakf Board, Haj Committee, Urdu Ghar, communal harmony, widows, abandoned women, aggrieved women and Non-Governmental Organisations (NGOs). However, of this utterly meagre amount, 64 per cent of the amount earmarked for welfare schemes remained unspent.

What is probably the worst in terms of the financial articulation of the economic needs of the Minority community is that Employment Oriented Schemes received a ridiculously low grant INR 4.10 crores and not a single rupee was spent, not even on the up-gradation of power looms and Self Help Groups (SHG).

We now examine the three specific schemes of Scholarships, Prime Minister's new 15 point program, and the Multi-sectoral Development Plan.

(A) Schemes of Scholarships for Minority

57 per cent of the fund was for pre-matric scholarships, 30 per cent for post matric scholarships and 13 per cent for merit cum means scholarships out of the total amount of INR 305.92 cr from 2006-07 to 2012-13. Targets, as far as post matric scholarships are concerned, were not fully met and also the allocation was very less as compared to pre matric scholarships. In fact, the former needs to have more grants because of the high drop-out rates after 10th standard; yet, there is a 12 per cent deficit in achieving the post matric scholarships target.

The Prime Minister's new 15 Point Programme for the Welfare of Minorities was first approved by Government of India in 2006, and later amended in 2009. According to this programme, wherever possible Ministries/Departments concerned had to earmark 15 per cent of the physical targets and financial outlays for minorities.

- Education sector: There were ten schemes implemented by the Department of School Education including Sarva Shiksha Abhiyan, which covers Literacy for primary, upper primary, pre, post and merit cum scholarship, Kasturba Gandhi Vidyalay, etc. With regards to the infrastructure, the construction of more than 70 per cent primary and upper primary schools is not completed. Additionally, 62 per cent of the newly formed primary schools did not open and most of the sanctioned teacher's posts were not filled. The Ministry of Human Development through the Department of Social Education and Literacy spent INR 1.80 cr. on modernisation of 45 Madarsas and INR 11.43 spent on infrastructural development for 58 minority institutions in the state. Further, as many as 60 per cent of Aanganwadi centres had not been completed by the Women and Child Development Department. The Ministry of Finance released amount of INR 33.37 cr. for up gradation for number of 13 Industrial Training Institutes (ITIs) but 17 per cent has not spent by the state Department of Labour & Employment. Similarly, 52 per cent of INR 90187 cr. provided by the Ministry of Finance for priority sector lending has not been utilised.

- Employment Sector: The 15 point programme also provided provisions for skill training, encouragement and support for micro entrepreneurs, self-employment,

etc. in urban area through Housing and Urban Poverty Alleviation Department (HUPA). At a superficial level, the achievements of HUPA have been better but the implementation is not remarkable. The reason for this observation is that the actual achievement in this field depends on good productive performance of trainees, creation of good marketing avenues, proper credit facility and other support. This was not provided to the trainees. Additionally, no follow ups are done to check if the trainees have been able to sustain their enterprises or self-employment.

(B) Prime Minister's new 15 Point Programme for Welfare of Minorities

The Prime Minister's new 15 Point Programme for the Welfare of Minorities was first approved by Government of India in 2006, and later amended in 2009. According to this programme, wherever possible Ministries/Departments concerned had to earmark 15 per cent of the physical targets and financial outlays for minorities.

- Education sector: There were ten schemes implemented by the Department of School Education including Sarva Shiksha Abhiyan, which covers Literacy for primary, upper primary, pre, post and merit cum scholarship, Kasturba Gandhi Vidyalyay, etc. With regards to the infrastructure, the construction of more than 70 per cent primary and upper primary schools is not completed. Additionally, 62 per cent of the newly formed primary schools did not open and most of the sanctioned teacher's posts were not filled. The Ministry of Human Development through the Department of Social Education and Literacy spent INR 1.80 cr. on modernisation of 45 Madarsas and INR 11.43 spent on infrastructural development for 58 minority institutions in the state. Further, as many as 60 per cent of Aanganwadi centres had not been completed by the Women and Child Development Department. The Ministry of Finance released amount of INR 33.37 cr. for up gradation for number of 13 Industrial Training Institutes (ITIs) but 17 per cent has not spent by the state Department of Labour & Employment. Similarly, 52 per cent of INR 90187 cr. provided by the Ministry of Finance for priority sector lending has not been utilised.
- Employment Sector: The 15 point programme also provided provisions for skill training, encouragement and support for micro entrepreneurs, self-employment, etc. in urban area through Housing and Urban Poverty Alleviation Department (HUPA). At a superficial level, the achievements of HUPA have been better but the implementation is not remarkable. The reason for this observation is that the actual achievement in this field depends on good productive performance of trainees, creation of good marketing avenues, proper credit facility and other

support. This was not provided to the trainees. Additionally, no follow ups are done to check if the trainees have been able to sustain their enterprises or self-employment.

- Welfare sector: The Rural development Department did not provide housing to 35 per cent of people under Indira Awaas Yojana. Further, 63 per cent people were not provided housing in urban areas under Integrated Housing and Slum Development Programme (IHSDP). Further, HUPA has not been able to provide basic infrastructural services for 82 per cent projects under IHSDP scheme. Through an overview of all these schemes under the 15 point programme, it can be seen that despite the provisions in some cases, the implementation has been very poor, with either the funds not being utilised or with the lack of appropriate follow ups.

C) Multi-Sectoral development plan (MsDP):

The Multi-sectoral Development Programme (MsDP), was designed to address the 'development deficits identified by a baseline survey in the Minority Concentrated Districts (MCDs) was launched for Buldhana, Jalna, Parbhani, and Washim districts of Maharashtra in 2008-09. As per the census 2001, the total minority population of these four districts was 15,48,399 lakhs of which the share of Muslim population (57,67,571) is 13 percent. However, this selection of districts covers only 8 percent of the entire Muslim population of the state.

- There is no standard index to evaluate the socio-economic status of selected districts. The criteria takes into account only the literacy rate and work population ratio, and does not cover parameter such as per capita income or expenditure as indicator for socio-economic conditions.
- As districts have been categorised backward by State Human Development Report of Maharashtra, 2000, it is important to note that the backwardness of these districts is not because of the minority concentration.
- In the last decade, essential infrastructure facilities in health and education as well as road construction is taking place at a very slow pace in these four districts despite the fact that these districts have been covered under the Tribal Sub-Plan (TSP) and Community Safety and Security Program (CSSP). As a result, in these four districts all socio-economic indicators appear extremely low in the baseline survey conducted by Indian Council of Social Science Research (ICSSR) in the 2008 under Ministry of Minority Affairs (MMA). The backwardness however, can be attributed more to the regional imbalance in the development rather than

large presence of minority communities. Hence, the development of these four districts should not be taken under the ambit of minority schemes.

Performance of Multi-sectoral Development Programme (MsDP):

MsDP was introduced in the 2008-09. During the 11th Plan, INR 59.93 crores was earmarked for MsDP for Maharashtra. Out of this, INR 56.71 crores were released. Of this released amount only 75 per cent was spent for the implementation of various projects. The completed components of MsDP programme included the construction of Indira Awaas Yojana (IAY) houses, Anganwadi centres, and educational infrastructure such as school buildings, additional classrooms, provision of teaching aids, lab equipment and the construction of ITIs. The construction of girls' hostels was also started in 2010-11. Despite the huge allocation to IAY and construction of anganwadi centres under the MsDP, only 77 percent of the targeted number of IAY and 65 percent of targeted number of anganwadi centres were completed. Besides, construction of polytechnics ITIs has also not been completed.

Further, the IAY scheme benefited individuals, but did not provide or create public assets under the MsDP programme like drinking water facilities, road connectivity, health centres, sanitation etc.

With regards to the economic activities, it has been observed that the focus of the plan was on creating physical infrastructure to improve linkages which would create economic opportunities, however the creation of social and financial infrastructures was completely missing. The optimal utilisation of physical infrastructure and human resources created through the MsDP will not be justified unless programmes for improving the social and financial infrastructure of these selected four districts are included.

It is to be noted that people's participation in the MsDP programme was not ensured either by bureaucrats or the panchayat members. There were no periodic discussions of programme related plans and problems with the members of the minority community. Additionally, even the baselines survey of the minority concentrated 70 districts which was conducted by MMA in 2008 suggested that while there is a demand for creating livelihood resources for the Muslim community no action was taken in this regard and the scheme focusing on livelihood only provided for skill training.

Further, an analysis of programmes shows that larger amount of funds are allocated for schemes which focus on community level facilities such as sanitation, burial grounds (kabrastans), constructions of anganwadis, classrooms, schools, hostels, buildings, health centres. Although such schemes are a part of the larger support that the community needs but it is important to note that these facilities are necessary not only for the minority community, but to all the people living in that area and it is the duty of the State to provide such facilities. Hence the utilisation of the funds for minority schemes for creation for such general facilities defeats the purpose of targeted

schemes, which is to address the specific problems and the development lag faced by the minority community.

The minority development schemes at the individual level include schemes such as scholarships, parent allowances, housing, etc. Although all these schemes are important for individuals, such measures provide only temporary stability. These schemes are the supportive elements of welfare schemes, but almost no minority development scheme encourages sustainable development of individual assets and common property assets.

It has been observed that even when there were general schemes which can help communities (whether minority or not) in asset generation, the Muslim community did not seem to be benefiting proportionately from these schemes prior to the establishment of then Minority department/ Ministry of Minority Affairs. For instance, several Muslims in urban and rural areas rear and sell sheep, goats, poultry birds, etc. These activities can be supported under agriculture and allied sectors development schemes. However, there is no data available regarding Muslims benefiting from these schemes. Marginalised sections were beneficiaries of distribution of surplus land. However, marginalised sections of Muslims were never considered for distribution of surplus land.

Further, the disguised discrimination is implicit as the administration and the bureaucratic system is dominated by the people from the majority community and privileged sections who are either biased or prejudiced or are unwilling to work towards the development of marginalised communities. This lack of the will to work towards the betterment of a marginalised community can be one of the reasons for the use of the word 'minorities' whose usage came as late as the eighth Plan in policy documents.

Thus the analysis of the allocation of outlay sheds light on the basic flaws in the State's approach towards minority development which includes, amongst other things, a non-holistic approach towards the question of minority developments and the non-addressal of the demands of minorities, and the implicit prejudices and biases in the process of implementation.

Conclusion

After independence, the Constitution of India recognised the marginalities and created some provision for the development of the marginalised sections. But the lack of development of some marginalised groups, especially social religious groups reveal the lack of social will towards the development of those communities.

Even though the Five Year Plans made an attempt to work towards equality and development of all communities, they failed to include the minorities' till as late as the 1990s. Despite the mention of minorities' in the policy documents, the actual implementation of appropriate policies for the development of minority communities was much delayed. It was only during the 11th Plan that formal policies were implemented for the minority groups.

Additionally, these policies and their implementation were far from perfect. To begin with, an understanding of the varying requirements of different minority communities lacking in the minds of policy makers. They were made to implement a uniform policy for different social religious groups resulting in extending the same kind of structural support to all minority groups irrespective of their requirements.

Further, the implementation of certain schemes meant for minority concentrated areas did not specify concentration of which minority groups would be the beneficiaries of the said schemes, and thus all could not benefit equally from them. For instance, the four districts chosen for MsDP in Maharashtra have a larger proportion of Buddhists than Muslims; hence Buddhists benefited more from the scheme. On the other hand, Muslims are the most backward social-religious group (as shown by the several reports including the Sachar Commission Report) and require more support.

This lack of understanding of the needs of minority groups, especially the Muslims in the policy process may be attributed to the fact that the Muslims are under-represented at all levels in the State machinery, including health and education sectors, which leads to a lack of perspective in policy formulation. Apart from the implementation machinery, which too is dominated by majoritarian values, there are several prejudices and negative biases against Muslims which results in lethargic implementation of schemes. It is important to note that even when the responsibility of implementation of development schemes is given to Muslim officers, they are afflicted by a double disadvantage; the first – of belonging to a Minority community, and therefore being biased towards them, and second – the job insecurity which stems from working in a majoritarian system.

Even if these flaws are ignored, we find that there are huge gaps in the process of implementation, such as the lack of appropriate follow up, the systematic discrimination that peoples from minority groups especially the Muslims face, their insecurities, lack of literacy, etc.

In conclusion, it would be fair to say that although the Constitution makes provisions for affirmative action for the marginalised minority, the State has been highly lackadaisical in working towards their development. A positive step is the form of formation of the MoMA and other structures, which will look at the specific minority issues. One can still be hope that with appropriate pressure from civil society along with proper policy formation and implementation the development deficit faced by the minorities can soon be overcome.

Reading List

- Patel, Vibhuti and Devasthali, Veena et al. (2013). 'Socio-Economic Profile of Muslims: A State Profile of Maharashtra'. Report. Department of Economics, SNDT Women's University. Mumbai
<http://kractivist.files.wordpress.com/2013/04/socio-economic-profile-of-muslims-in-maharashtra-by-economics-department-sndt-mumbai-report-for-maharashtra-state-minority-commission-2-04-2013.pdf>

Read on eSS: <http://esocialsciences.org/Articles/showArticle.aspx?acat=Recent%20Articles&aid=6256>
- Nawani, Disha (2014). 'The Elusive Nature of Educational Incentives'. Article. Economic and Political Weekly. Vol- XLIX No.37
<http://righttoeducation.in/sites/default/files/The-Elusive-Nature-Of-Educational-Incentives.pdf>

Read on eSS: <http://esocialsciences.org/Articles/showArticle.aspx?acat=Recent%20Articles&aid=6257>
- Rustagi, Preet Kumar, Abhay et al. (2008). 'Socio-Economic Status of Notified Minorities.' Report, Institute for Human Development (IHD) and National Commission for Minorities (NCM)
<http://ncm.nic.in/pdf/ihd%20report%20final.pdf>

Read on eSS: <http://esocialsciences.org/Articles/showArticle.aspx?acat=Recent+Articles&aid=6261>