

Statement 22

Recognition of Budget for Children in India



October 2015



Statement 22: Recognition of Budget for Children in India¹

India is one of few countries in the world in which the government has recognised the need for 'child budgeting' and this has been included in the official documents- most importantly as part of the Expenditure Budget presented with the finance bill every year. This is an important recognition of citizenship of children and the role of the government in realising their rights.

This paper traces the process of **recognition of children's budget** and the introduction of **Statement 22- Budget Provisions for Schemes for the Welfare of Children** in the Expenditure Budget Volume 1. It analyses how the number of ministries/departments and the schemes and programmes have changed since its introduction in 2008 especially in the context of the share of budget for children within the Union Budget.

This separate statement listing out the government's financial commitments is very helpful. But since a large part of both the investment and expenditure on children is made by the states, it becomes important that the states adopt and introduce a similar statement of account highlighting their initiatives for children, just as they have done for gender budgeting. This becomes even more important in the light of the move towards fiscal devolution based on the 14th Pay Commission Recommendations.

Budget for Children (BfC)

Governments are obligated to fulfilling the rights of children, as well as in playing regulatory and oversight roles to ensure non-state actors' compliance with child rights codes. In general, child rights impose three distinct obligations on governments: the obligations to **respect**, **protect** and **fulfill** those rights.²

The obligation to **respect** child rights requires governments to refrain from interfering directly or indirectly with children's enjoyment of their rights. The obligation to **protect** children against abuse and exploitation refers to the governments' duty to prevent, investigate, punish and ensure redress for the harm caused by abuses of their rights by third parties, such as private individuals or other non-state actors. The obligation to **fulfill** rights necessitates that governments fulfill the rights of children, through the implementation of legislative, administrative, budgetary, judicial and other measures. Additionally, the obligation to fulfill child rights refers to the progressive realisation of rights, and includes governments' duties to facilitate and provide for basic needs, particularly when children's families are unable to do so.³

¹ A note by Enakshi Ganguly, Co-Director- HAQ: Centre for Child Rights. New Delhi. October 2015.

² Balakrishnan, Radhika; Daine Elson; Rajeev Patel. Rethinking Macro Economic Strategies from a Human Rights Perspective (Why MES with Human Rights II).US Human Rights Network. P 6. and

Mekonen, Yehualashet . Approach to the Measurement of Government Performance in Realising Child Rights and Wellbeing. The African Child Policy Forum. 2008 p 1

³ Ibid

A lack of sufficient, effective, inclusive and efficient public spending on children is one of the main barriers to the realization of the rights of the child. Relevant policy and legislative commitments remain empty promises unless Governments generate and equitably allocate adequate resources for their implementation in their local and national budgets, and ensure effective and efficient use of resources.

Equitable, continuous and broad-based investment in children can level the playing field by providing every child with the same opportunities for survival and development. Inadequate investment, especially in the most vulnerable and marginalized, can perpetuate the intergenerational transmission of poverty and inequality, leading to irreversible negative impact on children's development.

Towards better investment in the rights of the child-Report of the United Nations High Commissioner for Human Rights, December 19 2014. A/HRC/28/33

Recognition of Child Budgeting In India

The budget for children (BfC) work in India began in 2000 with a decadal analysis of the Union Budget by HAQ Centre for Child Rights. HAQ decided to undertake a ten year analysis because the decade of the 1990s marked many changes for India and its children. While India made some significant commitments towards ensuring children their basic rights, it also launched the "era of globalisation". Both these had an impact on children's lives. In the wake of its global and regional commitments, India had ratified the Convention of the Rights of the Child (CRC) in 1992.⁴ At the same time it launched upon economic liberalisation, opening up the markets. This had an impact on lives of communities and children.

This study was the first in the country and third in the world (after South Africa and Brazil).

Drawing upon this analysis, the Department (now Ministry) of Women and Child Development decided to undertake regular child budget analysis in 2003 and a chapter on Child Budget was introduced in its Annual Report. Since then the Ministry has included a chapter or a section on this every year in its annual reports.

The Ministry has explained what it means by child budgeting:

Child Budgeting as Government's Mandate

"After gender, the next logical step for the Department of Women and Child Development as a nodal Department for women and children is the analysis of public expenditure on children.... A pioneering effort was made by HAQ: Centre for Child Rights, in their publication 'India's Children and the Union Budget' (Annual Report, DWCD.2002-2003 pg. 143).

7.5 The total magnitude of child specific budget outlays, i.e. the total magnitude of budget outlays on child specific programmes/schemes, is what we refer to as the 'Child Budget'. Thus, 'Child Budget' is not a separate budget, but a part of the usual government budget. In the context of the Union Government, 'Child Budget' refers to the total outlays for child specific schemes in the Union Budget. 'Child Budgeting' has emerged as an analytical tool for assessing the priority accorded to children in public spending in the country.⁵

Sustained advocacy and lobbying with the Government of India successfully led to further recognition of child budgeting in 2005, when the Government, (with support from UNICEF),

⁴UN Convention on the Rights of the Child. Article 4

⁵ <http://wcd.nic.in/ar0708/English/Chapter-7.pdf>

called a meeting of all the state representatives and announced that the government would introduce child budgeting, which is currently being carried out for the Ministry of Woman and Child Development by UNICEF in all the states. Unfortunately, this initiative never took off in the states.

Child Budgeting Different Government of India Documents

- **Annual Reports of the Ministry of Women and Child Development**

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- **National Plan of Action for Children 2005**

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18.6. Where no overt child budget is available, the demarcation should be made of child budget, spending and monitoring.

- Establish a systematic assessment of the impact of budgetary allocations and macroeconomic policies on the implementation of children’s rights.
- Based on assessment of budgetary expenditure on children, review and enhance financial provisions and allocation.
- Ensure that priority is given to economic, social and cultural rights of children in budget allocations, with particular emphasis on the enjoyment of these rights by children belonging to the most disadvantaged groups. Ensure that adequate proportion of social expenditure is devoted to children at national, regional and local level. Ensure that all competent national, regional and local authorities are guided by the best interests of the child in their budgetary decisions and evaluate the priority given to children in their policy-making.
- Ensure coordination between economic and social policies.
- Ensure that disparities between different regions and groups of children are bridged in relation to the provision of social services. (Ministry of Women and Child, Government of India)

- **Five Year Plans**

Eleventh Five Year Plan

In the Eleventh Plan this exercise in child budgeting will be carried out regularly to monitor the ‘outlays to outcome’ and examine the adequacy of investments in relation to the situation of children in India.

23.188. Child Budgeting has received recognition in the 11th Five Year Plan. However, there is need for better targeting through child budgeting mechanisms to ensure that all child-related needs are not only adequately resourced and that outlays are increased, but also effectively utilised and translated into meaningful outcomes for children. 23.189. To institutionalise child budgeting procedures during the 12th plan, there will be focus on building capacities to analyse the central and state budgets and their impact on the outcomes for children.

Twelfth Five Year Plan

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Following, its introduction in the Annual Reports, the Ministry continued to mention child budget/ing in several of its documents. The inclusion of child budgeting in the Plan of Action for Children ensured that it was institutionalised within the Ministry. The final outcome was visible in the Eleventh Five Year Plan document, which for the first time since the history of planning in this country not only has a section titled Child Rights⁶ (although children have yet to be given a chapter dedicated to them), but also included a sub head on child budgeting which states - *In the Eleventh Plan this exercise in child budgeting will be carried out regularly to monitor the 'outlays to outcome' and examine the adequacy of investments in relation to the situation of children in India.*"⁷.

But more importantly, BfC and the consistent low allocations has been used to argue for better allocations to child protection for child protection leading to important changes in policy and plan process validating its importance.

Child Budget Analysis leads to Recognition of need for Investment in Child Protection

Several documents of the Ministry of Women and Child Development (such as India-Building a Protective Environment for Children⁸; the Working Group on Development of Children for the Eleventh Five Year Plan (2007-2012)⁹) had flagged the low allocation for child protection.

It was in the Eleventh Five Year Plan that this was finally addressed through the formulation of a new scheme. The Eleventh Five Year Plan noted:

"Lack of adequate budgetary allocations (as seen from Table 6.5 below on sectoral allocation and expenditure in Budget for Children, BFC as percentage of the Union Budget), has also impacted on the country's ability to meet the MDGs with respect to children. 6.95 Table 6.5 on BFC clearly demonstrates that despite the alarming increase in various forms of crimes against children, child protection remains a largely neglected sector..."

TABLE 6.5
Sectoral Allocation and Expenditure in Budget for Children (BFC) as percentage of the Union Budget

Year	Health		Development		Education		Protection		BfC	
	BE	AE	BE	AE	BE	AE	BE	AE	BE	AE
2000-01	0.542	0.38	0.358	0.39	1.466	1.34	0.023	0.02	2.389	2.14
2001-02	0.469	0.37	0.407	0.43	1.414	1.39	0.029	0.03	2.319	2.2
2002-03	0.505	0.35	0.448	0.48	1.452	1.40	0.036	0.03	2.441	2.25
2003-04	0.497	0.40	0.501	0.41	1.468	1.51	0.031	0.02	2.497	2.35
2004-05	0.646	0.52	0.421	0.46	1.644	1.96	0.033	0.03	2.745	2.96
2005-06	0.762	NA	0.659	NA	2.629	NA	0.034	NA	4.084	NA
2006-07	0.837	NA	0.829	NA	3.534	NA	0.035	NA	5.236	NA
Average	0.61	0.41	0.52	0.44	1.94	1.55	0.03	0.03	3.10	2.42

Note: Actual Expenditure is available till 2004-05, so the average for the actual expenditure has been calculated for that period only.
Source: Demand for Grants—All Ministries, HAQ: Centre for Child Rights, New Delhi.

Source: Towards Women's Agency and Child Rights in Eleventh Five Year Plan (2007-2012), Volume 2, Planning Commission, Government of India, page 203

⁶ See Planning Commission, Government of India, Towards Women's Agency and Child Rights in Eleventh Five Year Plan (2007-2012), Volume 2 pp 202-219

⁷ Ibid Page 218

⁸ <http://wcd.nic.in/indiaprotenv.pdf>, page 11

⁹ http://wcd.nic.in/WG_Report.pdf/ Page 79

What is significant is that the Plan categorically states-

*“Provision of Child Protection will be a key intervention in the Eleventh Plan. ‘Child Protection’ refers to protection from violence, exploitation, abuse, and neglect. It has also recognised that some children are in ‘especially difficult circumstances’, such as child labour, street children and children under the juvenile justice system, and has made specific programme interventions for them. This recognition is underpinned by the fact that every child has a right to protection, even if he/she is not in difficult circumstances. Thus the Eleventh Plan intervention for Child Protection takes both a preventive and a protective approach. During the Eleventh Plan, the Ministry of WCD will launch an **Integrated Child Protection Scheme.**”¹⁰*

Introduction of Statement 22, Budget Provisions For Schemes for the Welfare of Children (Expenditure Budget Volume 1)

Despite the recognition for child budgeting received from the Ministry of Women and Child Development, there was no affirmation or recognition of child budget or BfC from the Finance Ministry, hence it never became part of the Finance Bill in the way gender budget is. This finally happened in 2008.

In a pre-budget meeting with the Finance Minister on 18 February 2008, HAQ was invited by the Ministry of Women and Child Development to be part of a team led by the concerned Minister to meet the Finance Minister. At this meeting a letter addressed was handed over to the Finance Minister, listing out the main issues of concern, which included the fact that despite government’s commitment regarding budgeting for children, there has been no acknowledgment from him. It was heartening to find that the Finance Minister had taken note of the suggestions made in the letter. This is the final recognition of the Budget for Children work HAQ has been engaged in for so many years.

“We will score another 'first' this year. A statement on child related schemes is included in the budget documents and Honourable Members will be happy to note that the total expenditure on these schemes is of the order of Rs. 33,434 crore.”

*....P. Chidambaram, Budget, Finance Minister
Budget 2008-09*

Recognising that children under 18 constitute a significant percentage of the Indian population, the Government is committed to their welfare and development. This statement reflects budget provisions of schemes that are meant substantially for the welfare of children. These provisions indicate educational outlays, provisions for the girl child, health, provisions for Child protection, etc.

*Expenditure Budget. Volume-I
Budget 2008-09*

The budget circular issued by the Ministry of Finance¹¹ for framing the budget and revised estimates states:

11.4 Statement No. 22 Schemes for the Welfare of Children - Recognizing that children under 18 constitutes a significant percentage of the Indian population, the Government is committed to their welfare and development. Statement No.22 in Expenditure Budget Volume-I reflects the Budget provisions of schemes that are substantially meant for the welfare of the children. The provisions in this statement indicate educational outlays,

¹⁰ Ibid. Page 213

¹¹ http://finmin.nic.in/the_ministry/dept_eco_affairs/budget/budgetcircular2015-16.pdf

provisions for the girl child, health and provisions for child protection etc. All Ministries/Departments in general and Ministry of Women and Child Development, Department of School Education and Literacy, Ministry of Health & Family Welfare, Ministry of Social Justice and Empowerment, Ministry of Tribal Affairs in particular, may carefully scrutinize their DDGs and identify such programmes/schemes which fulfill the above objective, along with their budgeted provision, for inclusion in Statement No.22, Expenditure Budget Volume-I in the enclosed proforma (Annexure X-S).

Analysis of Statement 22

“Recognizing that children under 18 years of age constitute a significant percentage of the Indian population, the Government is committed to their welfare and development. This statement reflects provisions for expenditure on schemes that are meant substantially for the welfare of children. These provisions indicate education outlays, provisions for the girl child, health, provisions for child protection etc.”

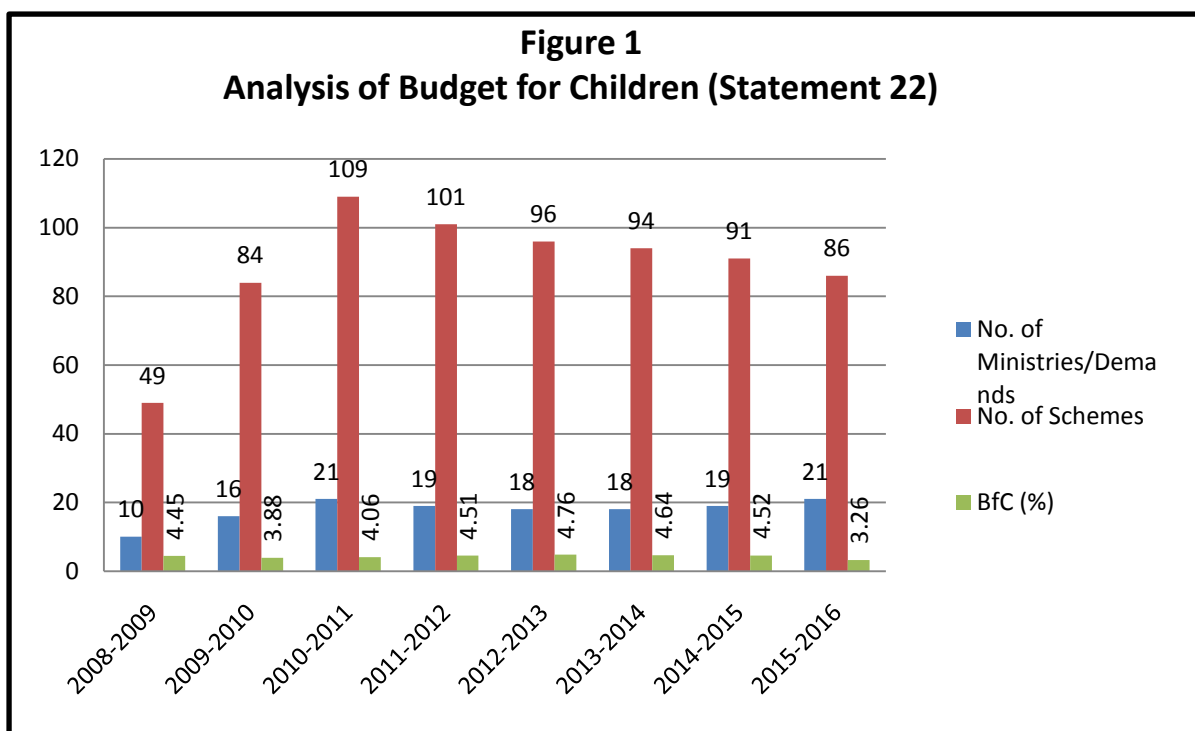
Statement 22, Expenditure Budget, Volume 2. 2015-16

Statement 22 enables an analysis of the share of budget for children as well as which are the ministries / departments investing in children. However, equally important is to analyse what initiatives the budgets are being ear-marked for, the amounts being allocated and whether it is amounting to real investment or mere tokenism.

Beginning with 10 ministries in 2008-09, in budget the number of ministries in the 2015 -16 has increased further to include twenty two. Figure-1 shows the evolution of Statement 22 since it was introduced in 2008-09. The systematic increase in the number of ministries and departments that are included in the Statement 22 can be seen as a growing recognition of the need for investing in children and its mainstreaming into all departments and ministries of the government. (See Annexure for list of ministries and schemes in 2015-16).

It is interesting that although the budget share for children in the Union Budget has reduced since between 2008-09 and 2014-15, even as the number of Ministries included in it almost doubled (the reduction in the budget for 2015-16, attributed to fiscal devolution is explained in the statement)¹².

¹² *Marginally reduced contribution by the Union Government in BE 2015-16 vis-a-vis RE 2014-15 is on account of enhanced devolution of Union Taxes to State as recommended by the Fourteenth Finance Commission (FFC). Consequent to the acceptance of the FFC award, Plan outlay of the Union has come down. However, to keep the Budget for such programmes unchanged, States are to contribute from their enhanced resources. It is estimated that any shortfall in the Schemes for the Welfare of Children on account of FFC award will be made up by the States from their enhanced resources. Therefore, the total resources available for the Schemes for the Welfare of Children will remain unaffected.*



The Ministry of Women and Child Development has recognised the importance of the inclusion of Statement 22 in its Annual Report 2014-15¹³:

In 2008-09, when the 'Child Budgeting' statement was introduced in the Union Budget, the V 'Demands for Grants' with child specific schemes. Child Budgeting included those of the Ministries of Women and Child Development, Human Resource Development, development Health and Family Welfare, Labour and Employment, Social Justice and Tribal Affairs, Minority Affairs and Youth Affairs the largest disadvantaged sections of Indian and Sports. The 'Child Budgeting' statement now covers 18 'Demands for Grants'(including Union protection of public expenditure meant for Ministries/Departments of Atomic Energy,. Industrial Policy and Promotion, Posts, Telecommunication and Information and Broadcasting among others), marking a significant children, from the initial eight 'Demands for Grants' in 2008-09 (page 53).

The institution of Statement 22 is the most important recognition of the need for examining budget allocations and expenditure for children. However, it does not automatically translate into better allocations or expenditure for the young citizens.

Further, the process of budgeting for children will only be complete when it is undertaken by the states. This is particularly important in the context government of India's decision to cut down the allocations following 'enhanced devolution of Union Taxes to State as recommended by the Fourteenth Finance Commission (FFC)'. Introducing a separate statement for budget allocations and expenditure for children in the states, drawing upon allocations and expenditure of the different departments will enable the government itself as well as others who are interested to assess the financial commitments for children.

The Ministry of Women and Child Development, Government of India, would be the best placed to once again take a lead on this and bring the state governments on board.

¹³ <http://wcd.nic.in/publication/wcdar2014/chapter%204.pdf> . Accessed October 1, 2015.

Annexure 1

2015-16			
S. No.	Ministries/Departments	S. No.	Programmes/Schemes
1	Atomic Energy (Demand No. 4)	1	Educational Institution
2	Nuclear Power (Demand No. 5)	2	Educational Institution
3	Department of Industrial Policy and Promotion (Demand No. 13)	3	Scheme for grant of rewards to the children of salt workers
4	Department of Telecommunications (Demand No. 15)	4	Amenities to staff
5	Department of Health and Family Welfare (Demand No. 48)	5	Manufacture of Sera and BCG Vaccine
		6	Kalawati Saran Children's Hospital
		7	Child Care Training Centre, Singur
		8	Procurement of Supplies and Materials
		9	NRHM-RCH Flexible Pool
6	Police (Demand No. 55)	10	Creche facilities for CRPF
		11	Creche Facilities for CISF
7	Department of School Education & Literacy (Demand No. 57)	12	Sarva Shiksha Abhiyan
		13	Mid Day Meal Scheme
		14	National Bal Bhavan
		15	Navodaya Vidyalaya Samiti
		16	Kendriya Vidyalaya Sangathan
		17	Central Tibetan school society admn.
		18	Rashtriya madhyamik shiksha abhiyan (RMSA)
		19	Scheme for setting up of 6000 Model Schools at block level as Benchmark of Excellence
		20	National scheme for incentive to girls for secondary education (SUCCESS)
		21	National means cum merit Scholarship Scheme
		22	Support to Education development including teachers training and adult education
		23	Scheme for providing education to Madrassas
8	Ministry of Information and Broadcasting (Demand No. 61)	24	Children's Film Society of India
9	Ministry of Labour and Employment (Demand No. 62)	25	Improvement in Working Conditions of Child/Women Labour
10	Ministry of Minority Affairs (Demand No. 68)	26	Pre-Matric Scholarship for Minorities
		27	Post-Matric Scholarship for Minorities
		28	Coaching and allied schemes
		29	Grants-in-aid to Maulana Azad Education Foundation
		30	Merit cum Means based scholarship
11	Lok Sabha (Demand No. 79)	31	Funds for Children Corner
		32	Lok Sabha Secretariat Meritorious Award & Scholarship for the wards of Group 'C' Employee
12	Department of Social Justice and	33	Post Matric Scholarship Scheme for SCs

	Empowerment (Demand No. 91)	34	Girl's Hostel for SCs		
		35	Boy's Hostel for SCs		
		36	Pre matric scholarship for children of those engaged in certain occupation		
		37	Up-gradation of merits of SCs students		
		38	Assistance to voluntary organisations for SCs		
		39	Post-Matric Scholarship for OBCs		
		40	Boys and Girls Hostel for OBCs		
		41	Assistance to voluntary organisations for BCs		
		42	Pre-Matric Scholarship for OBCs		
		43	Scheme for Prevention of alcoholism and substance (drug) abuse		
		44	Pre Matric Scholarship Scheme for SCs		
		45	Provision for NE region and Sikkim		
		13	Department of Disability Affairs (Demand No. 92)	46	Deendayal disabled rehabilitation scheme
				47	Aids and appliances
		14	Ministry of Tribal Affairs (Demand No. 98)	48	Strengthening of education among ST girls in low literacy districts
49	Umbrella Scheme for Education of ST Children				
15	Andaman and Nicobar Islands (Demand No. 99)	50	Elementary education		
		51	Nutrition		
		52	Development of children		
		53	Welfare of Juveniles		
16	Chandigarh (Demand No. 100)	54	Scholarship to students		
		55	Mid-day Meal for children		
		56	Books and stationary for SC/ST Students		
		57	National Service Scheme		
		58	Incentive to children of vulnerable groups among Scheduled Castes		
		59	Children in Need of Care and Protection		
		60	Opening of crèches for children of working mothers		
		61	Institute for mentally retarded children		
		62	School health scheme		
		63	Elementary Education		
17	Dadra & Nagar Haveli (Demand No. 101)	64	Secondary Education		
		65	Supply of free Uniforms, text books & other learning material to SC/ST students		
		66	Welfare of SC/ST (free loading & boarding to SC/ST students in S.W hostels)		
		67	Financial assistance for SC/ST students to govt. aided schools run by NGOs		
18	Daman & Diu (Demand No. 102)	68	Financial Assistance to govt. aided S.W. hostels for SC/ST run by NGOs		
		69	Supply of text books and Stationary		
		70	Supply of Uniforms		
		71	Cash incentive to parents of tribal boy students		
		72	Cash incentive to parents of tribal girl students		

		73	Assistance to adolescent girls and food to children
19	Lakshadweep (Demand No. 103)	74	Grant to Lakshadweep Council for Child welfare and providing accommodation for Anganwadi, Creche Centres
20	Ministry of Women and Child Development (Demand No. 108)	75	Rajiv Gandhi National Creche Scheme for Children of Working Mothers
		76	Scheme for the Welfare of working children and children in need of care and Protection
		77	Conditional cash transfer scheme for the girl child with insurance cover (Dhnalakshmi)
		78	National Institute of Public Cooperation and child development (NIPCCD)
		79	National Commission for Protection of Child Rights (NCPCR)
		80	Central Adoption Resource Agency (CARA)
		81	Integrated child development scheme (ICDS)
		82	Integrated child protection scheme (ICPS)
		83	World Bank ICDS-IV Project
		84	National Nutrition Mission
		85	Beti Bachao beti Padhao campaign
21	Ministry of Youth Affairs and Sports (Demand No. 109)	86	National programme for youth and adolescent development