“AN ANALYTICAL STUDY OF BUDGETING FOR SCHEDULED CASTES WITH REFERENCE TO UNION BUDGETS OF INDIA (2007-08 TO 2017-18)"

A SYNOPSIS
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1.1. Introduction :

All social groups have equal access to the services provided by the state and equal opportunity for upward economic and social mobility. It is also necessary to ensure that there is no discrimination against any section of our society. In India, certain social group such as the Scheduled Castes, Scheduled Tribes, Other Backward Classes, Minorities have historically been disadvantaged and vulnerable. Our Constitution contains various provisions for the development of such marginalized groups, for instance, Article 341 for SCs, Article 342 for STs, Article 340 for OBCs, Article 30 which provides the right to minorities to establish and administer educational institutions and so on.

The SCs, constitute 16.23% of India’s population. In the past, they have been socially ostracized, economically exploited and denied human dignity and a sense of self worth. The socio-economic development and protection of SCs from discrimination and exploitation has been a high priority from the very start of the planning process.

People belonging to SCs communities are spread all over the country, with 80% of them living in the rural areas. They constitute more than a fifth of the population of Uttar Pradesh, Punjab, Himachal Pradesh and West Bengal. Punjab has the highest proportion of SCs to the state population is concentrated in the five States of Uttar Pradesh (35.1 million), West Bengal (18.4 million), Tamilnadu (11.8 million), Andhra Pradesh (12.3 million) and Bihar (13.0 million).

Scheduled Castes have historically suffered from an enormous disadvantage and development deficit as compared to the rest of the population. This was expressly recognized in the constitution of India, which mandated special protections and provisions for SCs. The Government of India initiated the concept of Special Component Plan (SCP), now called Schedule Caste Sub-Plan (SCSP) in Sixth Five Year Plan. SCSP is seen as a critical initiative in closing the development gap between the Scheduled Castes when compared to others. This umbrella strategy purports to direct plan resources across Central Ministries in Government of India.
and Departments in the States, at least proportion to the SC population at the National Level (16.2%) and similarly at the State Level, to accelerate the pace of development of SCs so that the gaps in their development when compared to others is bridged at the earliest. SCSP is therefore a key instrument for fulfilling the objectives of inclusive growth in India.

The present study deals with the efforts made for the socio-economic development of only Scheduled Castes and the new initiatives that will be taken during the Eleventh and Twelfth Plan i.e., from 2007-08 to 2017-18.

1.2. Need for The Study of Budgeting for Scheduled Castes:

The experience of the last three decades show that implementation of SCSP, has been gravely deficient both in the States and at the Centre. Instead of genuinely planning for SCs in a manner that critical gaps in access to development may be filled so that they may reach a level – playing field with the rest of the population (in education, housing, health, employment, access to civic amenities, entrepreneurship and so on), the SCSP has been reduced to a mere accounting exercise, whereby several Central Ministries / State Departments simply ‘book’ a proportion of their expenditure (16.2%) under the SCSP Head or at the central level, and similar accounting process take place at the state level, barring only a few States. This ‘accounting approach’ to the SCSP means that a proportion of the existing schemes are ‘paid for’ by the SCSP, but except for schemes implemented by the Ministry of Social Justice and Empowerment or Ministry of Tribal Affairs, there is no special or specific planning for SCs; and little or no attempt is made by other Ministries/Departments to develop new schemes and programmes with greater and creative potential to address the development needs of SCs.

The main stream Ministries, which are benefiting most from the current trajectory of economic growth in the country, have not been showing any allocations clearly earmarked for SCs and STs. One of the main arguments put forward in this respect is that their schemes/services are ‘indivisible’. And therefore is not feasible for such mainstream Ministries to implement SCSP for SCs and STs.

In most of the crucial sectors, which are very important from the point of view of economic empowerments such as Department of Agricultural Research and Co-operation, Department of Animal Husbandry, Dairying and Fisheries, Department of Road Transport and Highways, there are absolutely no concrete schemes for inclusion of SCs and STs. They don’t even have ‘notional allocations’ for SCs and STs, set aside the actual allocations. The lakhs of crores of rupees have been either cut or diverted in the last decade from the funds accruing for SC and ST development. Moreover in case of some of these Ministries, the allocations are only
‘notional allocations’, where incidental benefits to SCs and STs from the regular schemes of the ministry have been assumed without any concrete data on actual beneficiaries. Almost all of the schemes, under which there are clearly earmarked allocations for SCs and STs, following the conventional approach of placation instead of actual empowerment of SCs and STs. There is notional allocations under SCSP and TSP and actual allocations are less for empowerment of SCs.

At present, 27 States / UTs are implementing SCSP through different mechanisms. The State Governments generally divide their resources into ‘divisible’ and ‘non-divisible’ components and earmark funds for SCs only from the divisible pool. As a result, the actual funds flowing directly to SCSP from the total State Plan becomes much less than the proportion of SC population to the total population of the State.

The State Government of Maharashtra has pioneered a special mechanism to ensure effective operationalization of SCSP. Other States could explore replication of this mechanism.

The Prime Minister as reiterated the need for effective implementation of SCSP during the 51st and 52nd NDC meetings held on 27 June 2005 and 9 December 2006. He emphasized that the SCSP strategies should become an integral part of the Annual Plans as well as the Five Year Plans so that full inclusion of SCs in socio-economic development is achieved within a period of 10 Years.

All Central Ministries / Departments are also expected to formulate SCSP and ensure that the flow of funds of SCSP in their plans is at least in proportion with the SC population of the country. At present, 17 Central Ministries / Departments have done so. Many Ministries/Departments maintain that they are unable to provide funds for SCSP because their funds are devoted expenditure on large projects and are not divisible.

To look into the issues to SCSP, a Central Standing Tripartite Committee (CSTC) which include representatives of the Planning Commission, National Commission for SCs and STs, The Ministries of Social Justice and Empowerment and States/UTs Ministries/Departments, was set up in May 1999. The CSTC was reconstituted in early 2006 to review the formulation, implementation and monitoring of SCSP and advise the Planning Commission and Prime Minister on measures which would serve the interests of the SCs and more effectively.

For effective implementation of SCSP, The Planning Commission also issued guidelines to all State Governments/UTs which have been revised from time to
time, the last revision being on 31 December 2006. The main guidelines are as follows.

Main Guidelines for SCSP

1. Earmarking of funds for SCSP from the total State Plan outlay should at least
   proportionate to the SC and population of the State/UT.
2. Making the Social Welfare Department – which are concerned with the well-
   being and development of SCs and-the nodal department formulation and
   implementation of SCSP.
3. Placing the funds earmarked for SCSP and at the disposal of the Principal
   Secretary/Secretary of Social-Welfare, who will work as Planning Secretary and
   have exclusive authority for the reallocation of funds to other line departments
   for SC development schemes.
4. Placing the funds earmarked for SCSP under separate budget head/sub-head for
   each development department.
5. Backing the SCSP and earmarked funds by 100 % budget provision, sanctions
   and timely release of funds to the line departments and implementing agencies.
6. Including only those schemes under SCSP and that ensure direct benefits to
   individuals or families belonging to SCs.
7. Preparing a detailed SCSP document with physical and financial targets against
   each scheme with the objective of bridging the gap between the rest of the
   population and the SCs and SCs within ten years.
8. Ensuring that the other line departments co-operate in the proper
   implementation of the SCSP schemes allocated to them and put up the schemes
   to the nodal departments for sanction and release of funds.
9. To circumvent the problem of non-divisible nature of funds for certain sectors
   like major irrigation, power, roads and so on, SCSP funds may be accounted
   only to the extent of about 5 % of the actual area being covered or benefited by
   the SCs by the projects and not the population percentage. The percentage of
   SC beneficiaries and the area being the covered/benefited is always less than
   the population percentage of the SC population in the State/UT.
10. Preventing the diversion and lapse of funds allocated to SCSP in the Annual
    Plans. SCSP should not be allowed to be changed at the revised estimate (RE)
    stage by the Planning Commission.
11. Carrying forward the lapsed/unutilized SCSP amount to the next Annual Plan of
    the State/UT as an additional fund for SCSP.
12. All the CSS and SCA Schemes of the Centre necessarily should have a SCSP
    component in them as per the proportion of SCs and STs in the States/UTs.

Central Ministries/Departments
13. Earmarking of funds by every central Ministry/Department towards SCSP should be as per the proportion of SC population in the country. Non-earmarking of SCSP funds by the Ministry/Department will result in non-approval of their Annual Plan.

14. SCSP funds should be non-divertible. Creation of separate budget heads and minor heads (789 for SCSP).

15. A dedicated SCSP unit should be created for the formulation and implementation of SCSP schemes and programmes.

16. Only those scheme/programmes should be implemented which accrue direct benefit to SCs.

17. All the other guidelines issued to Central Ministries/Departments should be followed strictly.

The National Advisory Council (NAC) was of the view that a new system must be devised for the 12th Plan which can ensure that the Sub-Plans are implemented in letter and spirit and made its recommendations for a reform process of the SCSP to the Government of India in December, 2011. Building on this earlier recommendation to reform the SCSP, the NAC further recommends the following in order to operationalize anew planning process for the SCSP.

**Recommendations**

- The Government of India should issue fresh guidelines for the implementation of the SCSP including an institutional framework for this purpose as outlined.
- Draft 12th Plan document – section on SCSP should be urgently revised to fully reflect the new approach towards ‘Planning for SCSP’ being recommended.

  1. Reiterating the objectives of the SCSP: Bridging the Gap.
  2. Towards a Paradigm Shift: From ‘Accounting to Planning’ for SCSP.
     
     **I.** Earmarking of SCSP Fund.
     
     **II.** Initiating a Pro-Active Planning Process for SCSP by the Central Ministries and State Departments.
     
     **III.** Stringent Appraisal & Approval of the SCSP plans prepared by the Central Ministries/State Departments.
     
     **IV.** Re-appropriation.

  3. Institutional Strengthening at the Centre: A High Level Committees to Review and Appraise Central Scheduled Castes Sub Plans and monitor their Implementations.


  5. Monitoring and Transparency.

It is in this backdrop that the need to study nature, scope, significance and different dimensions of budgeting for Scheduled Castes.

1.3. Statement of the Problem:

   In this context, the problem to study are as below,

1. Out of the total plan outlay, funds allocated for the welfare of SCs were not as much as the percentage of their population representation.

2. Much more Ministries except Ministry of Social Justice and Empowerment, the proportion of plan allocations for SCs is less than 16%.

3. The SCs have been excluded from the economic growth process and wealth creation.

4. The Approach towards development of SCs is not to be an ‘Entitlement-based and Rights-based.’ It is of Charity or Placation-based.

5. The Scheduled Caste Sub Plan is not properly implemented during the study period.

1.4. Review of Relevant Literature:

   The available literature on Budgeting for Scheduled Castes with reference to Union Budget of India is poor and varied, whatever related literature available with us would be put to review and examine their relevance to our present study. For example, Census of India, Government of India-Ministry of Finance-Union Budgets, Eleventh and Twelfth Five Year Plan documents, National Advisory Councils Recommendations on SCSP and TSP, Resolutions of Indian Political Parties, Documents of various Ministries, Research papers, Planning Commission Website, Reports, Experts blogs, NSSO and CSO Reports, News papers etc. are to be attempted and studied the relevant topics.

1.5. Objectives of Study:

   The major objectives of study are,

1. To study the concept and explore the nature of Budgeting for Scheduled Castes.

2. To study the origin of Budgeting for Scheduled Castes.

3. To study Indian Budgetary Policy with special reference to its Scheduled Castes angle.

4. To evaluate the Budgetary allocation of Union Budget For Scheduled Castes.
5. To review the Scheduled Caste Budgeting Statements in Union Budgets from 2007-08 to 2017-18.

1.6. Hypotheses of the Study:

The study intends to the following hypotheses.

1. Scheduled Castes didn’t get their due share in economic growth and wealth creation and they have been excluded from the growth process.
2. Overall awareness amongst the SCs across the country leads to Scheduled Caste Budgeting and not the other way round.
3. Scheduled Caste Budgeting leads to a shift in the Union Budgetary Policy.
4. The Scheduled Caste Sub Plan is not properly implemented.

A Scheduled Caste Budget is a budget that has accounted for the direct and indirect effects of a government’s expenditure allocations and revenues on both SCs and Others. Thus a SCSP budget can also act as an instrument for holding the government accountable to its social and economical equality commitments.

1.7. Research Methodology:

1. Area of study: In this work an attempt is to be made to study the budget from Scheduled Caste viewpoint. Therefore, the present work is on the borderlines of public economics on one hand and scheduled caste studies on the other.
2. Period of Study: The present study will analyzes the Union Budgets (from 2007-08 to 2017-18).
3. Source of data: The study will be based entirely on secondary data collected from Census reports, Five year plan documents, Union budgets of India documents/websites, Economic surveys. In additional to this, data will be collected from several reports and Online sources.
4. Analysis of data: The data collected from the aboved mentioned sources would have been analyzed using simple statistical tools such as percentage and ratio-proportion. Where ever required, suitable charts, graphs and diagrams have to be used to clarify further the issues involved.

1.8. Organization of the Thesis:

The present study of Scheduled Caste Budgeting will be spread over six chapters.

1. Chapter I:

The introductory chapter covers, The need of the study, Statement of the problem, Objectives, Research Methodology, Sources of data, Limitations
etc. A detailed review of related literature, the review of Indian Budgetary Policy will be carried out.

2. Chapter II:

   The concept of Scheduled Caste Budgeting, origin, nature, scope and significance have to be discussed in this chapter.

3. Chapter III:

   This chapter will reflect upon the present status of Scheduled Castes in India and commitments of Government of India. The Scheduled Caste Budgeting initiatives in India will be studied.

4. Chapter IV:

   This chapter sheds light on the budgetary allocation to the concerned department of Scheduled Castes development in Union Budget of India from 2007-08 to 2017-18.

5. Chapter V:

   Scheduled Caste Budgeting Statements in Union Budgets of India (2007-08 to 2017-18) are to be analyzed in this chapter.

6. Chapter VI:

   The concluding chapter contains summary, findings and suggestions.

Research Student                                      Research Guide

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