



Budget Transparency and Budgetary Practices

Status of Budget Transparency and Implementation of Budget Announcements in Rajasthan

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In 2011 BARC along with CBGA, New Delhi conducted a study on Transparency in State Budget in Rajasthan. Similar efforts were taken up in other states by other budget groups. The study found that state of budget transparency was quite dismal in the state, putting it among one of the low performing states among the nine states where the study was conducted.

Since then there has been some note worthy changes in the state in this regard. For example the government started providing information on the devolution of amount to the PRIs and ULBs in somewhat detailed manner since 2011-12 and also the Gender Budget Statement (GBS) started coming since 2012-13. Two Minor Heads for Tribal Sub-Plan (796) and Scheduled Caste Sub Plan (789) have been opened under increased number of Major Heads.

The new government which was formed a year ago has also continued with the improvements in this direction by providing two more documents titled "Budget Related Analytical Statement, Volumes I and II" since the budget 2014-15 (presented in July 2014). In these two documents government started providing Department wise budget allocation and expenditure (in brief) for all administrative departments, which was one of the demands of the civil society organizations. These documents also provide information on major allocations and expenditure made under major development schemes separately which was earlier not available under the Major Head wise budget presented in Rajasthan.

Shortcomings continue

There are still various transparency related issues which the BJP government can address in coming years. The Rajasthan BJP has promised in its election manifesto to make the budget transparent for the people. We therefore, have pointed out some of those issues and suggestions below:

Providing real time information on Implementation of Budget Announcements: The Budget Speech read by the Chief Minister (who is also the Finance Minister in the state) in the Vidhan Sabha is the most closely watched and followed budget document. The announcements made in the budget speech are the main budget promises which both the government and media highlight and the people observe those announcements with a keen interest. But after the euphoria of the budget is over in one or maximum two weeks no one ever mentions about the announcement made by the government in the Budget Speech.

The status of some of the important announcements made during the last three budgets (including interim budget for 2014-15) by the current BJP government is not known at all. For example what is the progress in regards 20,000 kms of roads to be built in five years of the government announced in interim budget and subsequently in modified budget 2014-15. In its latest budget the government again



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announced to build 10,000 kms of roads in 2015-16. People would be interested in knowing the progress. Similarly it was announced in the interim budget 2014-15 that government would target to produce 25000 mega watts solar electricity in its five years tenure but there is no information in public domain on the progress in this direction. In budget 2015-16 the government made some good announcements in the budget for education like opening a higher secondary school in every gram panchayat and formation of a District School Board in every district which will ensure quality education and also bring out a report on the status of education in every district. Also, the 63 model schools announced last year would now be opened in coming three years for which the state government will provide Rs. 237.90 crore the three years. But currently there is no way for the people to know the progress made on those announcements.

The Chief Minister office, however, does track the development on those budget announcements through the website cmis.rajasthan.gov.in. The website however, is not open for the public. Making this website accessible for public is one important step towards the budget transparency which the government can easily take.

Providing District Wise Budget information: There is an urgent need to provide state budget district wise for all the line departments. This will give people a sense of the amount being allocated to each line department in their district and will empower the citizen to monitor the implementation of the programmes in effective manner.

Providing information on Budget for the PRIs and ULBs: As mentioned above the state government is providing information on devolution of budget to the PRIs and ULBs but currently it is available only for each Zila Parsihad and each Municipal Corporation. And for all the Panchayat Samitis and all the Gram Panchayats in one district this is available in combined manner. Same is true for all the ULBs except Municipal Corporations. Therefore, Gram Panchayats and Panchayat Samities and Municipal bodies do not have advance information on budget to be devolved to each one of them. Providing this information in advance will empower the PRIs and ULBs and would allow them to make realistic plans.

Improving the GRB and GBS: The previous government started providing Gender Budget Statement (GBS) since 2012-13 budget. Currently the Gender Budget Statement (GBS) is being provided Budget Finalization Committee (BFC) wise and has separate information on plan and non-plan components of an expenditure item. The GBS in its current form hardly serves any purpose. The GBS, however, can be improved by simply providing department wise information or by putting all the BFCs of each department together. This will improve the utility of GBS as the departments would be able to see the gender budget performances of their department in totality. It would also make sense to the common people and women rights organization and provide ways to monitor the implementation of the gender budget.

Allocation to TSP and SC-SP as per the norms: The BJP also promised in its manifesto to allocate the budget amount for the Tribal Sub-Plan (TSP) and Scheduled Caste Sub-Plan (SC-SP) as per the norms i.e. according to the population of the two communities in the state and providing the allocations in the



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specific Minor Heads (796 and 789). The allocation and expenditure under the two Sub-Plans however continued to be lower than the norms as per the allocation made to the two Minor Heads. There is a need to pass the TSP and SC-SP legislation in the state to stop the violation of these norms.

Outcome Budget: The government should make bringing out Outcome Budget mandatory for all the departments.

Opening MIS of Departments/Schemes for people: Many departments have MGNREGA like MIS for the schemes of those departments. For example the MIS run by the public health and family welfare department of the Rajasthan government tracks the status of benefits provided to pregnant women and child development can be open partially for public to provide data like number of women and children (male and female) beneficiaries at every health centre. Likewise, the MIS of other schemes should also be made accessible to public and should be created where such MIS don't exist.

Pre-Budget Consultations with people

Rajasthan BJP had also promised to make online system of taking people's suggestion for state budget, which to its credit, has been started in the state. The BJP government started inviting online public suggestion before the budget in first itself though it has word limits and is open for a short period.

There is also a practice of holding pre-budget consultation with NGOs in the state in which the Chief Minister hears the suggestions given by the participants. The BJP government has also continued to hold the pre-budget consultations. However, the number of organizations invited for the per-budget consultations held by the government seems to have declined now as many organizations complained about not being invited to the consultation. The pre-budget consultation anyways is held quite late, only a couple of weeks before the state budget is presented in the Vidhan Sabha. **There is a need to hold the pre-budget consultation well in advance like in months of October or November when the budget making process starts in the government so that the government has time to evaluate the suggestions and include them in the budget and could make budget allocations for the same.**

Overall the performance of the current government in terms of budgetary practices has been somewhat average in the first two budgets presented by the government. There is need for the government to make budget more transparent and improve the budgetary practices by making it more participatory.