

COVID-19 and Public Investment for Children: The case of Indian State of Karnataka

No. 355

06-October-2021

Jannet Farida Jacob and Lekha Chakraborty



**National Institute of Public Finance and Policy
New Delhi**

COVID-19 and Public Investment for Children: The case of Indian State of Karnataka

Jannet Farida Jacob¹
Lekha Chakraborty

Abstract

The ex-post analysis of public finance for children (PF4C) for the year 2020-21 for the State of Karnataka reveals that it constitutes 15 per cent of the total public expenditure and 1.68 per cent of GSDP. Of this, 80 per cent is spent on education. The fiscal marksmanship ratio and the PEFA score for PF4C indicate that there are significant deviations between budget allocation and actual spending. Karnataka though is a fiscally prudent State, with all its fiscal parameters well within the stipulated limits of “fiscal rules”, resorted to episodic expenditure compression in social sector which in turn impacted PF4C. Given the impact of the COVID-19 pandemic on education, health and income, it is imperative for the State to look beyond the transitory fiscal stimulus packages and strengthen the long-term PFM tool like child budgeting.

JEL Codes: H30, H750, E62

Keywords: Public Financial Management, Child Budgeting, State Expenditure, Karnataka

¹ The authors are respectively former Research Fellow, and Professor at NIPFP. The authors acknowledge the comments and suggestions from Kavita Rao, Miranda Stewart and Tech Chi Wong; and from an anonymous referee for helpful comments. This paper was prepared as part of “Public Finance Innovations” project of Gates foundation. The policy brief of this paper was published in the Austax policy Institute blog of Australian National University.

1. Introduction

The covid-19 pandemic has created significant fiscal policy challenges due to revenue uncertainties, which in turn has impacted fiscal consolidation measures to maintain the threshold levels of fiscal deficit to GDP ratio required to be maintained under FRBM legislations. If fiscal consolidation is achieved through expenditure compression rather than tax buoyancy, this has implications on public investment for children. The economic shock of the COVID-19 pandemic has been significantly higher than any other crisis since the financial crisis of 2008, which in turn has consequences on education financing for children (Loayza and Pennings, 2020, World Bank, 2020a). COVID-19 has derailed human capital gains in education, nutrition and health achieved in recent years, and even prior to the pandemic, most governments invested insufficiently in core human capital sectors (UNICEF, 2020c). The public investment relates to areas like child protection, education and nutrition is anticipated to be lower than pre-pandemic times as the overall size of government has reduced due to the revenue uncertainties.

Against this backdrop, we explore the efficacy of ‘child budgeting’ as a public financial management (PFM) tool to deal with the COVID-19 pandemic. Globally an estimated 6,000 child deaths every day from preventable causes is a reality, apart from the exponential rise in death due to coronavirus, cautions the United Nations Human Development Programme (UNDP 2020). Around 60 per cent of school-age children are now in the ‘effective out-of-school rate’ category, deprived of education due to ‘digital divide’ (lack of access to internet), a situation that has become dire because of the pandemic. Given the immediate and medium-term consequences on human development, the United Nations Children’s Emergency Fund (UNICEF) has recommended adopting a multi-sectoral response strategy towards the COVID-19 crisis.

The approach of ‘child budgeting’ is defined as a specifically targeted PFM tool to ensure equity for children. We explore child budgeting in the specific context of India’s federation and sub-national government responses to the pandemic, with a focus on the State of Karnataka. In Indian federalism, a systematic rather than a sequential policy response towards addressing the three-pronged impact of COVID-19 – on education, health and income – requires targeted interventions at the State government level.

Karnataka has historically been a fiscally prudent state. This State has had all its fiscal parameters well within the stipulated limits of India’s ‘fiscal rules’ (for example, maintaining zero revenue deficit and a fiscal deficit-GDP ratio at 3 per cent (RBI, 2020). In March 2020, the Karnataka Government has for the first time introduced child budgeting in its State Budget 2020-21. The budget proposes funding 279 programmes for children below 18 years, amounting to INR 363.4 billion (USD 4.84 billion), which is 15.28 per cent of the annual budget. A significant portion of the child centric allocation – specifically targeted programmes for children – in Karnataka State Budget 2020-21, is devoted to education (67 per cent) and health (16 per cent). Despite the focus on child budgeting, the child centric allocation for education as a per cent of GSDP is only 1.36 per cent and for health it is 0.23 per cent of GSDP.

The State of Karnataka also benefits from the Integrated Child Development Scheme (ICDS), which is the largest nutrition programme for children sponsored by the Central Government aimed at providing nutrition supplements for children and lactating mothers.

The macroeconomic response package to COVID-19 announced by the Government of Karnataka allocates INR 17.22 billion (USD 0.23 billion) mainly to mitigate the economic disruption caused by the pandemic².

Karnataka is witnessing a spike in COVID-19 cases since the start of the 'unlock'. As educational institutions are shut down indefinitely, schools and colleges are conducting online classes. How far do these virtual classes reckon with the question of accessibility? Our estimation based on the National Sample Survey Office's (NSSO's) 75th round on Social Consumption³ – Education 2017-18 reveals a glaring digital divide among school children in Karnataka. Only six per cent of total school aged children from class I to XII has access to computers (all India figure is 9.1 per cent), of which only 4.6 per cent has computer with internet facility (all India figure is 8.8). The digital divide between rural and urban Karnataka is huge with only 0.8 per cent of the school students (all India figure is 5.1 %) having access to computers with internet facilities in rural sector whereas it is 11.9 per cent in urban sector (all India figure is 19.7%).

The all-India figures showed that “nearly 4% of rural households and 23% of urban household possessed computer. Nearly 24% of the households in the country had internet access in the survey year, 2017-18. The proportions were 15% among rural households and 42% among urban households. Among persons of age 15-29 years, nearly 24% in rural areas and 56% in urban areas were able to operate a computer. Nearly 35% of persons of age 15-29 years reported use of internet during the 30 days prior to the date of survey. The proportions were, nearly 25% in rural areas and 58% in urban areas.” (Government of India, 2020).

The school closures during the pandemic also mean a loss of the nutritious mid-day meal for children of lower income households which depend on the mid-day meal schemes delivered through schools. Though Anganwadi (rural child care centre) workers were commissioned to home deliver mid-day meal to children during the nationwide lockdown, it was reported that the government has now limited the distribution of mid-day meal to 49 drought-hit regions of the state.

All of this will have serious negative effects on Karnataka's already fragile anthropometric profile of children below 10 years. The Comprehensive National Nutrition Survey reports high rate of stunting at 32.5 per cent among children below five years, of which 12.4 per cent are severely stunted; 19.3 per cent of the same age group are (4.6 per cent severely); and 32.4 per cent are underweight (9.5 per cent severely). Stunting among children aged 5-9 years is 21.5 per cent (4.5 per cent severely); 28.2 per cent are underweight (6.7 per cent severely); and 3.8 per cent are obese (1.1 per cent severely). This makes it compelling to take a re-look at the fiscal space for 'child budgeting' and scale it up to 'whatever it takes' to deal with the pandemic. Considering the gravity of the catastrophic impact of the COVID-19 pandemic on education, health and income, it is imperative for the State to look beyond the prescribed fiscal rules and make adequate allocation in the social sector – in particular child budget – of the State.

² <https://www.karnataka.com/govt/covid-19-relief-packages-in-karnataka/>

³ http://mospi.nic.in/sites/default/files/publication_reports/Report_585_75th_round_Education_final_15_07_0.pdf

We organized our paper in seven sections. Section 2 explores the selected literature on child budgeting, while an overview of human development indicators of the state of Karnataka is presented in section 3. Section 4 briefly accounts for the fiscal space of the State Finance of Karnataka; while section 5 elaborates on the ex-post Child Budgeting of Karnataka State Budgets 2017-18 to 2020-21. Section 6 covers the fiscal marksmanship analysis and PEFA scores; and section 7 concludes.

2. Selected Review of Literature

The global commitment to child rights can be traced to the UN Declaration of the Rights of Child 1959, where the emphasis was on nutrition, free education, access to health care and freedom from exploitation and discrimination (United Nations, 1959). Later, the UN Convention on the Rights of the Child (UNCRC) came into force in 1990 and India ratified it in 1992. However, India's commitment to child rights dates even further back to the framing of the Constitution of India, where it guarantees fundamental rights to all children, and to the adoption of the National Policy for Children, 1974, wherein India declared children as the 'supremely important asset' of the nation. Child budgeting aims at the realisation of child rights specifically related to survival, health, nutrition, education, protection and participation (UNICEF, 2007, UNICEF 2017). Yet it was not until 2010 that India started child budgeting as a tool for better management of public financial resources for the realisation of the goals of child rights, and began earmarking a separate section in the Union Budget for child budgeting. The anthropometric profile of children in the age group of under-5 years, 5-9 years and 10-19 years as reported in the Comprehensive National Nutritional Survey (CNNS) 2016-18 is given in Table A6 in appendix. Children under-5 years seems to have poor anthropometric status as revealed by the prevalence of stunting (height-for-age), wasting (weight-for-height) and underweight (weight-for-age) among them (below -2 standard deviations (SD) for stunting, wasting and underweight, based on the WHO standards) 32.5 per cent are stunted, 19.3 per cent are wasted and 32.4 per cent are underweight

Empirical evidence suggests that economic returns to investment in children in their early childhood is higher than later investments in adolescent and adults (Heckman, 2006). In his analysis Heckman (2006) summarises evidence on the effect of early environment on child, adolescent and adult achievements. Intervention programmes among disadvantaged children initiated as early as at 4 months of age are found to be more effective in raising the IQ level and non-cognitive skills than those programmes initiated in later years. Heckman (2006) also finds that the opportunity cost incurred on investments in the adolescent and young adult is higher and therefore not economically efficient. Early childhood investments are the foundations on which later achievements are built on (Knudsen, Heckman, Cameron and Shonkoff 2006) and determines the productivity of later investments (Heckman, 2006).

The UNICEF's programme for public finance for children (PF4C) provides the framework for the realisation of child rights as envisaged in the UNCRC, by supporting the best possible use of public budget. The objective of the PF4C framework are (i) sufficient resources are allocated for child-related policies and programmes, including by mobilizing additional funds, for full implementation; (ii) spending for children is made more efficient by timely disbursement and reducing leakages; (iii) results-based budgeting and value for money approaches are adopted for more effective spending for children, (iv) resources are better distributed to promote equitable spending with greater attention to disadvantaged groups and areas and (v) citizens including children and adolescents are empowered to monitor and participate in budget processes for more transparent and accountable spending

(UNICEF, 2017). Kagoro and Ndlovu (2013) in a study conducted in four districts of Zimbabwe and Kurniawan, Harbianto, Purwaningrum and Marthias, 2012 in Papua province of Indonesia found that the budget framework 'is blind to the issues of child rights'. Analysing the findings of the research carried out by UNDP and UNICEF in 30 countries in Africa, Asia and Latin America, Mehrotra and Delamonica (2002) summarise that on an average expenditure on basic social services, which include health, primary education and access to safe water, ranges between 12 to 14 percent of total government spending, accounting for the poor health and education outcomes in these countries. It is also found that there is inequality in the distribution of the public expenditure on health and education.

Many low-income, highly indebted countries attribute the insignificant share of public spending on basic social services on lack of fiscal space (Mehrotra and Delamonica, 2002). With the growing debate on child rights, calling for protection against abuse and exploitation and recognizing and listening to children as rightful contributors to issues that affect them, on the one hand and on the other hand the increasing concerns about their wellbeing and development, the family and, hence, children have moved from the sphere of the 'private' to the sphere of 'legitimate public intervention' (Rose, 1989). Redmond (2012) highlighted that until the recent past when family was still in the private realm, universal or targeted intervention was seen as inappropriate and weak form of intervention.

In India, an ex-post child budgeting exercise by HAQ Centre for Child Rights (2001) analysed the public expenditure on children in the Union Budgets from 1990-91 to 1998-99. Exploring the detailed demands for grants of each annual budget, the analysis revealed that the actual expenditure on children has increased marginally from 0.6 percent in 1990 to 1.6 per cent in 1998; on an average the expenditure on children hovered around 1.2 per cent of the total budget during the decade. Additionally, barring 1994-95 and 1995-96, the actual spending on children was found to be less than the budgeted estimates (HAQ Centre for Child Rights, 2001). The analysis revealed that the child centric allocation in the Union Budget has been increasing year-on-year and in 2005-06 the allocation was 5.23 per cent of the total budget on children but by 2013-14 it declined to 4.51 per cent. HAQ Centre for Child Rights (2015) states that the allocation is grossly inadequate for the realisation of the goals of child rights. This child budgeting at national level is only partial, when 2/3rd expenditure is at the state level. Therefore Union Budget analysis does not provide aggregate picture.

By analyzing child budgeting of the Union Budget and 16 States of India from 2012-13 to 2018-19, Jha et al (2019) shows that the per child expenditure and child development index (constructed) is correlated. Their study also observed that the states that spend more on children also have higher child development index rank. Taking the case of the State Budget of Karnataka, the study found that the public spending on children as a percentage of total expenditure have declined from 17 per cent in 2012-13 to 12 per cent in 2018-19.

3. Karnataka: Human Development Outcome

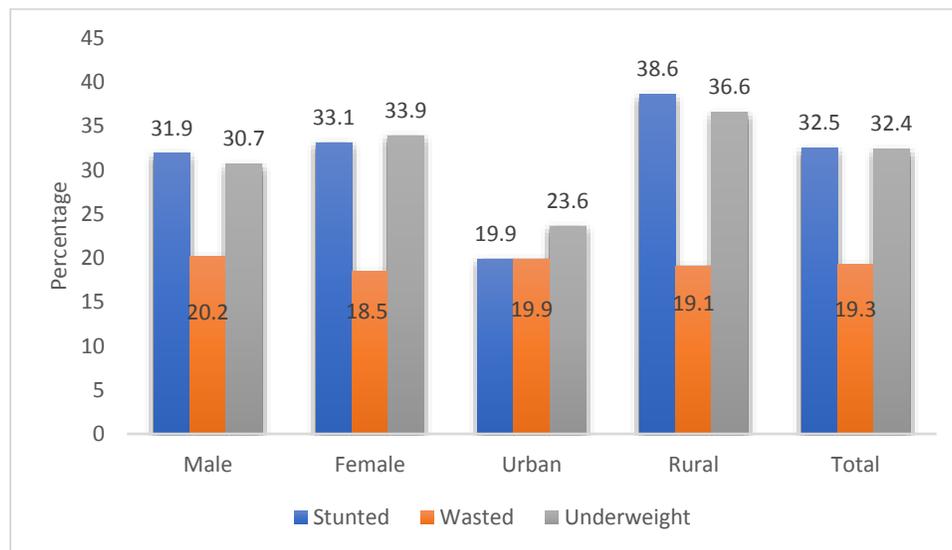
Karnataka ranks third at the national level in its achievement of Sustainable Development Goals (SDG) having gained 'front runner' position for seven goals with scores between 65 and 99 (Table A1 in appendix). It ranks fifth in the case of health and education.. Karnataka ranks fifth among other states in its accomplishment in the health and wellbeing of its people as per SDG indicators (Table A2). The National Family Health Survey (NFHS)-2 (1998-99), NFHS-3 (2005-06) and NFHS-4 (2015-16) rounds have revealed an initial fall in IMR from 51.5 in 1998-99 to 15 in 2005-06 and then a steep rise to 28 in 2015-16. The NFHS

data also shows a rising trends in anthropometric indicators reflecting the double burden of malnutrition caused due to wasting and obesity (Government of India, 2017).

Karnataka has 973 females to 1000 males (as per Census 2011), which is higher than total sex ratio at the national level (Table A3). What is alarming is the figures of child sex ratio, which has declined from 987 in 1961 to 948 in 2011, a decline of 39 girls to every 1000 boys (Table A4). The rural child sex ratio of Karnataka is higher than urban child sex ratio, though both have declined over the past three decades from 1991 to 2011, but the gap between rural and urban child sex ratio has reduced considerably (Table A5).

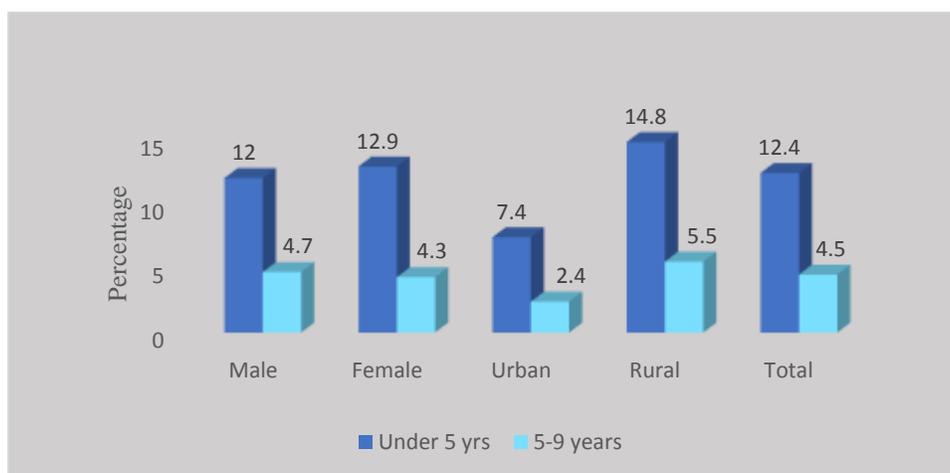
The anthropometric profile of children in the age group of under-5 years, 5-9 years and 10-19 years as reported in the Comprehensive National Nutritional Survey (CNNS) 2016-18 is given in Table A6. Children under-5 years seems to have poor anthropometric status as revealed by the prevalence of stunting (height-for-age), wasting (weight-for-height) and underweight (weight-for-age) among them (below -2 standard deviations (SD) for stunting, wasting and underweight, based on the WHO standards) 32.5 per cent are stunted, 19.3 per cent are wasted and 32.4 per cent are underweight (Figure 1). Stunting and underweight are more prevalent among them, both male child and female child, than wasting. Wasting is comparatively higher for male child than female child. Similarly, stunting and underweight are more prevalent in rural areas than in urban areas; wasting is marginally high in urban areas though (Figure 1).

Figure 1: Anthropometric Status, Karnataka (in percent)



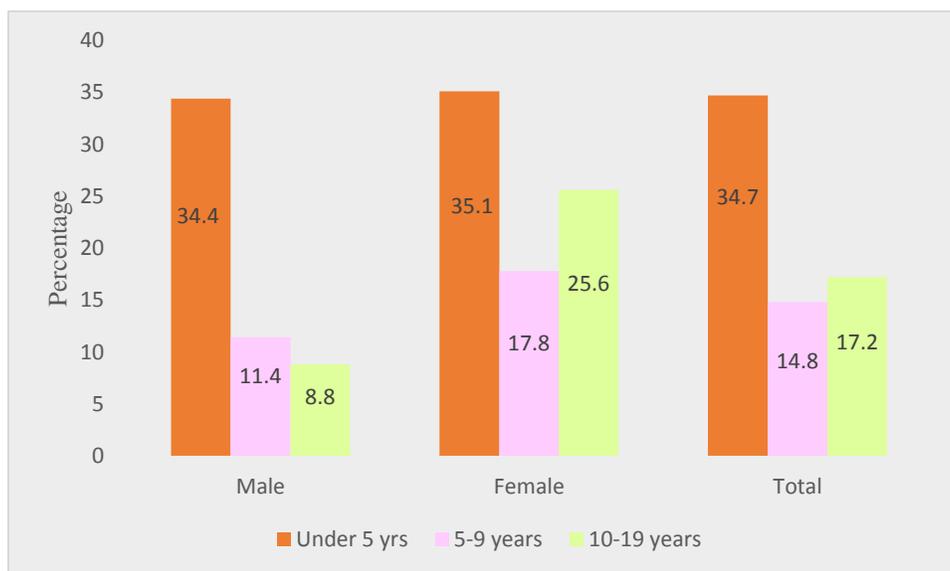
Source: Comprehensive National Nutrition Survey (CNNS) 2018

The rate of severe stunting (below -3 standard deviations, based on the WHO standards) is higher for children under five years of age compared to that of 5-9 years old children. This is true for male and female children in these age group; however, the prevalence of severe stunting is almost the same for male and female children in both age groups. Severe stunting is more prevalent among rural children than among urban ones in the same age groups (Figure 2).

Figure 2: Stunting (%) among Under-5 years and 5-9 years' children


Source: Comprehensive National Nutrition Survey (CNNS) 2018

The prevalence of severe thinning (BMI for age) is more than obesity (BMI for age) among 5-9 years and 10-19 years old children. The same is the pattern for male and female children, except that in the 10-19 years' age group, severe thinning and obesity is higher for male children than female children. The rural-urban difference in the prevalence of severe thinning is stark for 10-19 years' age group, where it is 11 per cent among rural children and on the other hand it is only 3.7 per cent among urban children. In sharp contrast, obesity is much higher for urban children than rural children in both the age groups.

Figure 3: Prevalence of Anaemia (%) among Under-5yrs, 5-9yrs and 10-19yrs


Source: Comprehensive National Nutrition Survey (CNNS) 2018

The prevalence of anaemia is considerably high for children in all the three age groups. However, children under five years old, both male female children, are largely anaemic (35

per cent) than the other two groups of children (Figure 3). However, it is more prevalent among female children in 5-9 years and 10-19 years' groups than their male counterparts.

According to SDG achievements, out of the seven education related indicators measuring the achievements in SDG of equal access to quality education for all, Karnataka has fared well in achieving the targets of four indicators; infact it has gone beyond the target in the case of learning outcomes of class 5 students, leaving behind other major southern states in its learning outcomes for both class 5 and class 8 (Table A7). However, in three other indicators, Karnataka is far behind the stipulated target and is behind national average in the case of secondary level dropout rate.

The state has the challenging task of bringing down the dropout rate at secondary school level from the current 26.18 percent to the targeted 10 percent by 2030. Also, it has to garner resources and adopt strategies to bring down the share of out-of-school children aged 6-13 years from the current 1.49 percent to below 0.28 percent by SDG 2030. Additionally, the state has to augment pupil-teacher ratio in almost 25 percent of its elementary and secondary schools to reach the target by 2030. The Economic Survey of Karnataka 2018-19 finds significant development in the field of education with increased public investment in to ensure access, equity and quality in education with community involvement (GoK, 2019a). The State's literacy rate has registered significant increase from 66.6 percent in 2001 to 75.4 percent in 2011 (GoK, 2018; GoK, 2019a) and has been marginally higher than the national average all through the decades from 1961 to 2011(GoK, 2018). The female literacy rate in rural Karnataka is even lower at 59.6 percent as against 81.71 percent female literacy rate in urban Karnataka. The gender difference in literacy rates of Scheduled Castes (SC) and Scheduled Tribes (ST) is even more alarming with around 18 percentage points less for females than males (Table A8). Table A9 shows the expansion of schools at all levels from 2014-15 to 2018-19. The overall increase in number of schools seems to be modest with total number of schools increasing by 3.9 percent from 2014-15 to 2018-19 and primary schools getting a greater number of new schools (1317 new schools). However, there is also negative growth in number of primary and secondary schools in 2017-18, probably due to closure of some of the already existing cash crunched schools. Overall, the state has a larger stake in school education with 61.7 percent of the total number of schools under public sector, leaving just 27 percent of the schools to the private sector (Table A10).

The enrolment in all levels of school education has increased from 2014-15 to 2018-19 but with the exception of a decline in enrolment in classes I to V and classes IX to X in the year 2017-18 and classes VI to VIII in 2015-16 and 2016-17. In all levels of school education, enrolment of girls is less than those of boys during the same period (Table A11). The GER and NER of primary education level have declined since 2006-07, while those of secondary level has increased considerably (Table A12). In a cohort analysis of 2005-06 batch of students from class I to class X, GoK (2018) finds significant enrolment loss as students' progress from I through X (Table A13 in appendix).

Table 1: School Children (class I to XII) with access to Computer and Internet

	Has Computer and Internet	Has computer, No Internet	Total Access to Computer
Total	4.63	1.28	5.90
Rural	0.80	0.17	0.97
Urban	11.87	3.38	15.25

Source: (Basic Data), NSSO 75th round on Social Consumption- Education

In the present digital era of Information and Communication Technology (ICT) and Information and Technology Enables Services (ITES), education is increasingly transitioning into digital space. Even schools are progressively using ITES for teaching and learning at all levels of education. Acknowledging the immense potential of ICT in transforming education system and learning processes, the new National Education Policy (NEP) 2020 envisages to create National Educational Alliance for Technology (NEAT) as an autonomous body to serve as a platform for the use of ITES in teaching and learning processes in school education and higher education as well (GoI, 2020 page 55). All these are well thought out measures postulating to improve the quality of education at all levels in schools, colleges and universities. For a productive outcome, these new initiatives have to be reckoned with the question of accessibility. The NSSO 75th round on Household Social Consumption – Education 2017-18ⁱ, reveals a glaring digital divide where hardly six percent of the total school going children from class I to XII has access to computers, of which only 4.6 percent has computer with internet facility (Table 1). The digital divide between rural and urban Karnataka is significant with only 0.8 percent of the school students having access to computers with internet facilities in rural sector whereas it is 11.9 percent in urban sector. Clearly, 95 percent of the students are deprived of education in the event of online education during a human calamity like the COVID-19 pandemic, even when Karnataka’s net enrolment ratio (NER) at primary, upper primary and secondary levels stand at 95.72, 81.77 and 64.45, respectively (GoK, 2019a), and a combined NER at elementary and secondary levels stands at 85.54 (GoI, 2019).

4. Karnataka: The Fiscal Space

Karnataka has sustained its fiscal prudence since 2005 with its deficits and outstanding liabilities being well within the limits of Karnataka Fiscal Responsibility Act 2002. Yet the state has witnessed episodic expenditure compression in social sector spending, especially on education and nutrition, over the years from 2011-12 to 2019-20BE (Jacob and Chakraborty, 2020). This is in the midst of widespread prevalence of under-five malnutrition in the form of stunting and wasting. The macroeconomic policy packageⁱⁱ to COVID-19 announced by the Government of Karnataka allocates INR 17.22 billion (USD 0.23 billion) mainly to mitigate the economic disruption caused by the pandemic. The State has consistently contained its fiscal deficit within the 3 percent limit stipulated by FRBM Act; its revenue deficit is near zero and the debt to GSDP ratio is below 20 percent (Table 2). In the year 2021-22 BE, the outstanding liability has increased to 20.5 per cent of GSDP.

Table 2: Debts and Deficits as a Percentage of GSDP

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 RE	2019-20 BE	2021-22 BE
Revenue Deficit	0.77	0.27	0.04	0.06	0.17	0.11	0.33	0.01	0.02	0.00
Fiscal Deficit	-2.03	-2.09	-2.09	-2.14	-1.83	-2.37	-2.30	-2.62	-2.65	-2.60
Outstanding Liabilities	17.00	16.79	16.57	17.35	16.80	17.46	17.26	17.57	19.44	20.5

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21 and Ministry of Statistic and Programme Implementation (MOSPI)

While being fiscally prudent, the State of Karnataka, faced falling own revenue receipts (ORR), (Table 3). The near zero revenue deficit may be attributed to the increased central transfers through tax devolution in particular, and through grant-in-aid (Jacob and Chakraborty, 2020).

Table 3: Revenue Receipts (% of GSDP)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 RE	2019-20 BE	2020-21 BE
Own Revenue Receipts	8.34	8.30	8.16	8.19	7.74	7.34	6.93	6.70	6.91	6.6
Own Tax Revenue	7.67	7.73	7.67	7.68	7.23	6.86	6.45	6.22	6.41	6.2
Own Non-tax Revenue	0.67	0.57	0.49	0.51	0.51	0.48	0.48	0.47	0.51	0.4
Central Transfers	3.18	2.94	2.80	3.20	3.63	3.68	3.95	4.11	4.54	3.3
Revenue receipts	11.52	11.24	10.96	11.40	11.37	11.02	10.89	10.81	11.45	10.00

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21 and Ministry of Statistic and Programme Implementation (MOSPI)

It is not uncommon for states to resort to expenditure compression to maintain the state finances within the stipulated FRBM limits. In the case of the State of Karnataka, except for slight intermittent ups and downs in spending, the state has restricted its capital expenditure to meager 2 to 2.5 percent of GSDP and has resorted to episodic expenditure compression in social sector spending (Table A13). To be precise, while there was expenditure compression in certain social sector spending, there was simultaneous expansion in expenditure in certain other social sector spending. In effect, there was some re-prioritization of expenditure towards water, sanitation, housing and urban development from education, health and nutrition.

The state's committed expenditure on interest payment has been consistently maintained around one percent of GSDP and below 10 percent of its revenue receipts, which is one of the criteria that enables the state to qualify for the special provisions of the FCXIV recommendations on relaxation of fiscal deficit threshold upto 3.5 percent of GSDP. Indeed, the state has met the other two criteria of having debt to GSDP ratio below 25 percent and zero revenue deficit for the current and the preceding year, for availing this provision. Yet the

state has not amended its fiscal rules to incorporate this clause of fiscal flexibility recommended by the FCXIV (GoI, 2018). At this juncture it is important to note that the state's off-budget borrowing has been increasing since 2011-12, despite its fiscal prudence and being eligible for the special provisions of FCXIV to extend its deficit threshold. Even with off-budget borrowing, the debt liabilities of the state are within the threshold limit of FRBM Act. However, the size of the interest on off-budget borrowing to total interest payments of the state and the rising share of fiscal liabilities (off-budget borrowing included) in revenue receipts, is a cause of concern. Against this backdrop of an otherwise prudent state finance, the stifling social sector spending on education, health and nutrition needs immediate review. This makes it particularly imperative to analyze the state budget with a child sensitive lens.

5. Karnataka: Public Expenditure for Children (PF4C)

The covid-19 economic stimulus package for the State of Karnataka was announced in May 2020, which comprised of many social protection and food security measures⁴, however there is no significant components directly relate to children. To give a baseline analysis of State's expenditure relate to children, we examined each demand for grants of the Annual State Budget of Karnataka and culled out each object head directed towards child specific spending; and calculated the share of child specific expenditure in each department and its share in total expenditure of the State, share in total social sector expenditure, and its share in GSDP for the period 2017-18 to 2020-21. The ex-post analysis reveals that the child specific spending as a share of total expenditure net of interest payments, is 15.25 per cent for the financial year 2020-21, making up to 1.68 percent of GSDP (provisional) and 39.46 per cent of the state's total spending on social services (Table 4). The share of child specific spending as a percentage of total expenditure inclusive of interest payments is 13.64 per cent for the FY 2020-21. It should be mentioned here that Jha, et al (2019) in their analysis of the Union Budget and sixteen State Government Budgets of India, found that the State of Karnataka earmarked 12 percent of its total expenditure for child specific expenditure in 2018-19.

Though the actual spending on child specific programmes have increased in 2018-19 in absolute terms, it has declined in terms percentage share of total expenditure and as a share of total spending on social services, compared to that of 2017-18. The child specific spending as a share of GSDP, however, has increased from 1.68 per cent in 2017-18 to 1.79 per cent in 2018-19 and is budgeted at 1.68 per cent in 2020-21.

⁴ <https://www.karnataka.com/govt/covid-19-relief-packages-in-karnataka/>

Table 4. Public Expenditure for Children in Karnataka (%)

Public expenditure for children as % of	2017-18 (Accounts)	2018-19 (BE)	2018-19 (RE)	2018-19 (Accounts)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Revenue Expenditure	14.92	15.30	15.38	14.81	15.32	16.00	16.22
Total Expenditure	13.06	13.10	13.18	12.70	12.96	13.60	13.64
Total Expenditure minus Interest Payments	14.21	14.27	14.31	13.82	14.20	14.93	15.25
Social Sector Expenditure	33.60	32.94	33.77	32.51	34.34	37.39	39.46
GSDP	1.68	1.87	1.73	1.79	1.69	1.71	1.68

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21 and Ministry of Statistic and Programme Implementation (MOSPI)

Table 5 presents the department-wise distribution of expenditure on child specific schemes in absolute figures and as a share of total budget of the respective departments. In all, there are only seven departments that have allocated resources specifically for children. These departments include forest, ecology and environment, social welfare, women and child development, education, health and family welfare, labour and skill development and law. Across these departments, combined, there are 101 major heads where resources are earmarked for schemes that directly benefit children. These expenditures have been sub-divided into programme expenditure and non-programme expenditure, where the latter consists of administrative expenditure like salaries of staff. There are other schemes which may indirectly benefit children in these seven and other departments but that is beyond the scope of this analysis. The analysis shows that out of the seven departments that have allocated resources for children, only three departments have significant allocations. The largest share of child specific budget comes from education department, particularly primary and secondary education department which accounts for 80.5 per cent of the total child budget in 2020-21 (Table 5), which has increased by 2.5 percentage points from that of 2017-18 (78 per cent). The other two departments that have considerable spending for children are the department of women and child development (13.6 per cent in 2020-21) and the department of social welfare (5.1 per cent in 2020-21) (Table 5). The child specific in department of women and child development has declined by 2.7 percentage points from that of 2019-20 whereas in the department of social welfare it has remained almost the same as 2019-20 (Table 5). The child specific allocation in the other four departments is almost negligible, where it is hardly 0.5 per cent in each department.

Table 5: Structure of Public Expenditure for Children in Karnataka (%)

Sectors	2017-18 (A/c)	2018-19 (BE)	2018-19 (RE)	2018-19 (A/c)	2019-20 (BE)	2019-20 (RE)	2020-21 (BE)
Law	0.00	0.00	0.00	0.00	0.00	0.01	0.07
Labour and Skill Development	0.02	0.02	0.02	0.02	0.01	0.01	0.01
Health and Family Welfare	1.21	1.01	0.92	0.29	0.93	0.24	0.39
Forest, Ecology and Environment	0.35	0.49	0.49	0.36	0.30	0.30	0.30
Social Welfare	5.86	4.79	4.79	5.69	5.04	5.18	5.14
Women and Child Development	14.56	15.77	16.11	14.26	16.39	16.23	13.55
Education	78.01	77.93	77.67	79.38	77.32	78.03	80.53
Total	100	100	100	100	100	100	100

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21 and Ministry of Statistic and Programme Implementation (MOSPI)

Considering the fact that the highest allocation for child specific programmes goes to the department of education and the department of women and child development, it is worth examining it from different dimensions. As a share, the public spending on children's education in 2017-18 and 2018-19 constituted 10 per cent of the total expenditure of the State and it marginally increased to 11 per cent when committed expenditure of interest payment is excluded from the total expenditure. It is budgeted to be 11 per cent of total expenditure (interest payment included) and 12 per cent of total expenditure (interest payment excluded), in 2020-21 (Table 6).

Table 6: Public Expenditure for Children in Education and Health Sectors in Karnataka (%)

Education							
Public expenditure for children as % of	2017-18 (A/c)	2018-19 (BE)	2018-19 (RE)	2018-19 (A/c)*	2019-20 (BE)*	2019-20 (RE)*	2020-21 (BE)*
Total Expenditure	10.08	10.23	10.19	10.08	10.07	10.61	10.98
Total Expenditure less Interest Payments	10.97	11.15	11.06	10.97	11.04	11.65	12.28
Social Sector Expenditure	25.93	25.74	26.10	25.80	26.69	29.17	31.78
GSDP	1.29	1.46	1.34	1.42	1.31	1.34	1.36
Health							
Total Expenditure	2.04	2.20	2.23	1.85	2.26	2.24	1.90
Total Expenditure less Interest Payments	2.22	2.40	2.43	2.01	2.47	2.46	2.13
Social Sector Expenditure	5.24	5.54	5.72	4.73	5.98	6.16	5.50
GSDP	0.26	0.32	0.29	0.26	0.29	0.28	0.23

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21 and Ministry of Statistic and Programme Implementation (MOSPI)

The public education expenditure on children constituted a quarter of the total social sector expenditure in 2017-18 and 2018-19 and is roughly 32 per cent in 2020-21. All these being so, however, the child specific public spending on education as a percentage to GSDP was a meagre 1.3 per cent and 1.4 per cent, respectively, in 2017-18 and 2018-19 and is budgeted to be roughly the same in 2020-21. Despite being the largest component of child budgeting, the public education expenditure on children is insignificant as a share of GSDP.

The public health expenditure specifically benefitting children constitutes around 14 per cent of the total child budgeting, however it is hardly two per cent of the total spending of the State in 2018-19 to 2020-21. More importantly, as a share of GSDP, public expenditure on child specific spending on health is alarmingly low at 0.3 per cent in 2017-18 and 2018-19 and is budgeted to be even lower at 0.2 per cent in 2020-21 (Table 6).

Child rights, in terms of nutrition, free education, access to health care and freedom from exploitation and discrimination, were first highlighted as human rights by the UN Declaration of the Rights of Child 1959 (United Nations, 1959). Later, with the ratification of the UN Convention on Rights of the Child 1989 (UNCRC) by most nations, except the USA and Somalia, it became the responsibility of the state to ensure the survival, development, protection and participation of the child as not just basic needs but as the rights of the child (Mehrotra, S. 2006). UNICEF (2017) states that the obstacles to the realisation of the goals of child rights is fundamentally related to public finance management (PFM) challenges. Therefore, in accordance with these objectives of the UNCRC, UNICEF has developed a framework for public finance for children (PF4C) to help countries better manage their public finance to ensure the realisation of the goals of child rights in terms of survival, development, protection and participation. The objectives of the PF4C Framework are (i) sufficient resources are allocated for child-related policies and programmes, including by mobilizing additional funds, for full implementation; (ii) spending for children is made more efficient by timely disbursement and reducing leakages; (iii) results-based budgeting and value for money approaches are adopted for more effective spending for children; (iv) resources are better distributed to promote equitable spending with greater attention to disadvantaged groups and areas and (v) citizens including children and adolescents are empowered to monitor and participate in budget processes for more transparent and accountable spending (UNICEF, 2017). Based on the PF4C framework, we have re-categorised the identified public expenditure on children into five categories – protective, regulatory, economic (including financial) and social empowerment (PRES). The PRES framework is used in the pioneering gender budgeting study in India by National Institute of Public Finance and Policy in 2000 and later adopted by Ministry of Finance through Classification of Budgetary Transactions committee in 2004 to institutionalise gender budgeting (Ministry of Finance, GoI, 2004).

The “protective” refers to the public expenditure on schemes aimed to protect children from all sorts of atrocities, particularly, under the department of law on “Fast Track Special Courts for disposal of cases pending under Rape and POCSO Act”. Apart from this, there are public expenditure for child protection under the department of women and child development, education, health and family welfare, and labour and skill development. Public expenditure on schemes directed towards child protection has increased in absolute terms but as a share of total expenditure (both net of Interest Payments) has almost stagnated around one per cent; in fact, as a share of net total expenditure, public expenditure for protection has slightly declined from 1.1 per cent in 2017-18 to 0.8 per cent in 2018-19 and is again slated for one per cent in 2020-21 (Table 7). As a share of social sector expenditure, the spending on child protection schemes is proposed

to be around 2.7 per cent in 2020-21, which is a marginal increase from that of 2018-19 but almost the same as 2017-18. However, as a percentage to GSDP, the spending on child protection has stagnated at a miniscule 0.1 per cent. Public Instructions, Karnataka Secondary Education Examination Board and others, established to ensure the realisation of child rights. The actual spending on such schemes had declined in 2018-19 Accounts from that of 2017-18 Accounts (Table 7). Its share in total expenditure of the State was only 0.08 per cent in 2020-21. As a share of social sector expenditure, it was 0.22 per cent in 2018-19 and 2020-21, though in absolute terms there is a marginal increase from that of 2018-19. However, it constitutes a meagre fraction of the GSDP since 2017-18. The economic and financial component includes spending on programmes for improving the quality of education, construction of polytechnics and vocationalisation of secondary education, meant to empowering children to make a living. They form a very meagre share of total expenditure and in fact negligible share of GSDP

Table 7: Public Expenditure for Children- PRES Classification (Protective, Regulatory, Economic and Social)

% of public expenditure for children to	Accounts 2017-18	Budget Estimate 2018-19	Budget Estimate 2018-19	Accounts 2018-19	Budget Estimate 2019-20	Revised Estimate 2019-20	Budget Estimate 2020-21
<i>Protective</i>							
Total Expenditure	0.99	0.72	0.80	0.71	0.90	0.93	0.93
Total Expenditure-Interest Payment	1.08	0.79	0.87	0.77	0.98	1.02	1.04
Social Sector Expenditure	2.55	1.81	2.06	1.81	2.37	2.55	2.68
GSDP	0.13	0.10	0.11	0.10	0.12	0.12	0.11
<i>Regulatory</i>							
Total Expenditure	0.10	0.08	0.08	0.08	0.09	0.09	0.08
Total Expenditure-Interest Payment	0.11	0.08	0.09	0.09	0.10	0.10	0.09
Social Sector Expenditure	0.27	0.19	0.21	0.22	0.24	0.26	0.22
GSDP	0.01	0.01	0.01	0.01	0.01	0.01	0.01
<i>Economic</i>							
Total Expenditure	0.10	0.07	0.07	0.07	0.08	0.07	0.06
Total Expenditure-Interest Payment	0.10	0.08	0.07	0.07	0.09	0.08	0.07
Social Sector Expenditure	0.25	0.18	0.17	0.18	0.21	0.19	0.18
GSDP	0.01	0.01	0.01	0.01	0.01	0.01	0.01
<i>Of which Financial</i>							
Total Expenditure	0.75	0.75	0.70	0.54	0.86	0.83	0.58
Total Expenditure-Interest Payment	0.81	0.81	0.76	0.59	0.94	0.92	0.65
Social Sector Expenditure	1.92	1.88	1.78	1.38	2.27	2.29	1.67
GSDP	0.10	0.11	0.09	0.08	0.11	0.11	0.07

% of public expenditure for children to	Accounts 2017-18	Budget Estimate 2018-19	Budget Estimate 2018-19	Accounts 2018-19	Budget Estimate 2019-20	Revised Estimate 2019-20	Budget Estimate 2020-21
<i>Social</i>							
Total Expenditure	10.99	11.52	11.47	11.30	11.11	11.68	12.00
Total Expenditure-Interest Payment	11.95	12.55	12.45	12.30	12.17	12.81	13.41
Social Sector Expenditure	28.27	28.97	29.38	28.92	29.43	32.10	34.71
GSDP	1.41	1.65	1.51	1.60	1.45	1.47	1.48

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21 and Ministry of Statistic and Programme Implementation (MOSPI)

The regulatory expenditure includes all administrative and regulatory bodies like Commissionerate of. It is budgeted less in 2020-21 compared to 2019-20, both in absolute terms and as a percentage to total expenditure and social services expenditure (Table 7). The financial component include spending aimed at mitigating the financial constraints of children in achieving their rights, like scholarships for education and other financial aids. This constituted a share of 0.8 per cent and 0.6 percent of net total expenditure of the State in 2017-18 and 2018-19 respectively, and 0.7 per cent in 2020-21. Its share in GSDP has also remained a negligible 0.1 per cent since 2017-18 (Table 7). The social component in PRES classification refers to the expenditures directed to motivate and incentivize children as students and other spending on social welfare schemes particularly meant for upliftment of children from socially and economically backward castes, tribes and class groups and minority communities. The spending on social development is the single largest public spending on child specific schemes dedicated to the realisation of the goals of child rights. Over the years since 2017-18, this has increased both in absolute and percentage terms. As a share of net total expenditure of the State, the spending on social development constituted around 12 per cent in both 2017-18 Accounts and 2018-19 and is expected to be 13 per cent in 2020-21 (Table 7). The spending on social development also constitutes a sizable portion of total social sector expenditure of the State, with 28 per cent in 2017-18, increasing to 29 per cent in 2018-19 and is budgeted at 35 per cent of total social services spending in 2020-21. However, as a share of GSDP, this spending accounted for only 1.4 per cent and 1.6 per cent in 2017-18 and 2018-19 respectively (Table 7). The estimates are illustrative.

6. Public Expenditure and Fiscal Accountability of PF4C

Public expenditure for children (PF4C) strengthens the fiscal transparency and accountability. Two PFM tools to analyse the accountability are fiscal marksmanship and PEFA. Fiscal marksmanship refers to the budgetary forecast errors, in terms of deviation between Budget Estimates and Actuals. In the Indian context, Chakraborty et al (2020) has examined the credibility of the budget forecasts of revenue and expenditure, in terms of magnitude of errors and the sources of the errors, whether exogenous or endogenous. Shreshtha and Chakraborty (2019) found that these forecasting errors were largely due to random components rather than systematic components for the macro-fiscal variables, except for own revenue, grants and capital expenditure. The study also provides a fiscal marksmanship ratio of BE/Actuals and RE/Actuals, which reflects the underestimation or overestimation of the macro fiscal variables in aggregates. A ratio greater than one implies an overestimation and less than one indicates underestimation. We analysed the fiscal

marksmanship ratio to assess the under/overestimation of public expenditure for children in the state budget of Karnataka 2018-19. Table 8 provides the sector-wise fiscal marksmanship ratio (BE/Actuals) in 2018-19 annual budget. Out of the seven departments, BE/Actuals ratio is one only in labour and skill development. This means that the actual spending was exactly equal to what was projected in the budget estimates. The highest overestimation is observed for the department of health and family welfare. Education sector has the least overestimation with BE/Actuals ratio of 1.03. However, the total department budget of all the seven departments show either an overestimation or underestimation of expenditure requirements. The BE/Actuals ratio of department budgets of Youth Services, Social Welfare, Food and Civil Supplies, and Labour and Skill Development show an overestimation of its forecasts. Whereas, the department budgets of Education, Health and Family Welfare, and Women and Child Development with respective BE/Actuals ratio of 0.84, 0.97 and 0.98, depicts an underestimation in its forecast of total expenditure.

Table 8: Fiscal Marksmanship

Demand for Grants No:	Sector	Administrative Exp.	Programme Exp.	Total
8	Forest, Ecology and Environment			
	PF4C	0.00	1.43	1.43
	Total			1.07
10	Social Welfare			
	PF4C	0.00	0.84	0.84
	Total			0.97
11	Women & Child Development			
	PF4C	1.21	1.16	1.16
	Total			1.16
17	Education			
	PF4C	1.00	1.12	1.03
	Total			1.07
22	Health and Family Welfare			
	PF4C	4.62	1.80	3.57
	Total			1.02
23	Labour & Skill Development			
	PF4C	0.00	1.00	1.00
	Total			1.03
Total		1.01	1.10	1.04

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21

Much of the problems in implementing child rights policies in developing countries is directly related to PFM obstacles (UNICEF, 2017). The economic case of investing in children is one of investment in human capital. The subsequent insufficient budget allocation, inefficient spending of the allotted fund due to delays in disbursement and also due to funding high cost, low impact schemes, or fragmented spending where multisectoral interventions are needed like, for example, in the case of nutrition, inadequate allocation for disadvantaged areas and populations and weak financial accountability, transparency and public participation are the compounded obstacles faced by PFM systems in India (UNICEF, 2017).

As per Public Expenditure and Financial Accountability (PEFA) methodology, a good performance with score of 'A' is given if the actual revenue/expenditure remains within 97% to 106% of budgeted estimate. Score 'B' is given if it remains between 94% to 112% and 'C' is given if it is within 92% and 116% and a performance less than this gets a score of 'D' (PEFA, 2016). Putting it differently, a variance of 5 percent from the budget estimates gives score of A and a 10 percent variance gives a score of B. A 15 percent variance from budget estimates gives a lower score of C and below that the spending pattern gets a score of D (Jena and Sikdar, 2019). Following this methodology, budget credibility regarding PF4C is assessed by taking the percentage difference in actual spending (accounts) from that of budgeted estimates for PF4C. Table 9 presents the PEFA scores. The assessment has been done for the aggregate PF4C under each department and disaggregate assessment by programme and non-programme expenditure under respective PF4C. The assessment is repeated for the total budget of the concerned departments and for the total PF4C in the State budget 2018-19.

The results reveal that, at the aggregate level, the PF4C for 2018-19 of the State of Karnataka has a score of 'A'. The percentage deviation in actual total spending on child specific programmes from what was proposed in the budget estimates of State Budget 2018-19BE is 4.27 per cent with a positive sign, which means that the actual amount spent is less than the budgeted estimate. In the total PF4C, the non-programme (administrative) expenditure is with a score of 'A'. The programme expenditure of the total PF4C, is with a PEFA score of 'B', has deviated from the budgeted estimate and fallen short by 8.77 per cent.

Table 9: Public Expenditure and Financial Accountability of PF4C, Karnataka

DD No	Non Programme Expenditure			Programme Expenditure		Total	
	2018-19	Percentage Deviation	PEFA Score	Percentage Deviation	PEFA Score	Percentage Deviation	PEFA Score
8	Forest, Ecology and Environment						
	PF4C	NA	--	30.18	D	30.18	D
	Total					6.80	B
10	Social Welfare						
	PF4C	NA	--	-19.65	D	-19.65	D
	Total					-2.68	A
11	Women & Child Development						
	PF4C	17.43	D	13.64	C	13.64	C
	Total					13.57	C
17	Education						
	PF4C	0.08	A	10.57	C	2.73	A
	Total					6.92	B
22	Health and Family Welfare						
	PF4C	78.35	D	44.54	D	72.01	D
	Total					1.49	A
23	Labour and Skill Development						
	PF4C	NA	--	0.00	A	0.00	A
	Total					2.69	A
27	Law						
	PF4C	NA	--	NA	--	NA	--
	Total					-6.10	B
Total PF4C		1.17	A	8.77	B	4.27	A

Source: (Basic data) Karnataka State Budget 2019-20 and 2020-21

However, the assessment of department-wise disaggregated expenditure on child specific programmes, reveal that the department of Labour and Skill Development is the only one department with zero deviation from budgeted estimates, scoring 'A' as per PEFA. The other department that has maintained its budget credibility is the department of Education. However, the shortfall in spending is higher for programme expenditure, deviating by 10.6 per cent from the budgeted estimate and, therefore, takes a PEFA score of 'C'. The non-programme CCA under Education department has not deviated much, falling short by 0.08 per cent of the budgeted estimate.

The department that has the least score is the department of Health and Family Welfare, as already verified by fiscal marksmanship ratio. The actual expenditure on child specific programmes under this department have deviated by 72 per cent less than the budgeted estimates. This is the highest deviation in PF4C, with PEFA score of 'D'. The Department of Forest, Ecology and Environment has a PEFA score of 'D' for its PF4C. Unlike other departments, the department of Social Welfare has a negative deviation, indicating an increase in actual spending on PF4C. This does not make the department budget more credible due to deviation from BE and earns 'D' for PEFA score. Lastly, the PF4C under the department of Women and Child Development has also deviated from the budgeted estimates and scored 'D' as per PEFA PFM assessment framework.

8. Conclusion

Against the backdrop of covid19 pandemic, we analyse the public finance for children (PF4C) for Karnataka. The PF4C in 2020-21 – though remained at around 15 per cent of total expenditure- it constitutes 1.68 per cent of GSDP. Of this, 80 per cent is spent on education. The PF4C in education sector constitutes 1.36 per cent of GSDP. The State, despite having allocated 15 per cent of its total net expenditure on child specific programmes, the fiscal marksmanship ratio and the PEFA score for CCA in 2018-19 State Budget indicates significant deviation in budget allocation and actual spending. Karnataka though is a fiscally prudent State, with all its fiscal parameters well within the stipulated limits of “fiscal rules”, it has resorted to episodic expenditure compression in social sector spending which has consequences for PF4C. Given the catastrophic impact of the COVID-19 pandemic on education, health and income, it is imperative for the State to look beyond the transitory fiscal stimulus packages and strengthen the long term PFM tool like child budgeting.

References

- Chakraborty, Lekha, Pinaki Chakraborty and Ruzel Shrestha. 2020. Budget Credibility and fiscal marksmanship of 28 States of India, Levy working paper. Levy Economics Institute, New York.
- Government of India, 2017. National Family Health Survey (NFHS-4), 2015-16: India. International Institute for Population Sciences (IIPS), Mumbai, India.
- Government of India, 2018. Report of the Comptroller and Auditor General of India on State Finances for the year ended March 2017 - Government of Karnataka, Comptroller and Auditor General of India. New Delhi.
- Government of India, 2019. SDG India Index Baseline Report 2019-20, NITI Aayog, New Delhi.
- Government of India, UNICEF and Population Council, 2019. Comprehensive National Nutrition Survey (CNNS) National Report. Ministry of Health and Family Welfare, New Delhi.
- Government of India, 2020. National Education Policy 2020, Ministry of Human Resource Development, New Delhi.
- Government of India, 2020a. Household Social Consumption on Education in India, 75th Round, NSSO, 2020.
- Government of Karnataka, 2018. Karnataka Human Development Report 2015: Accelerating Equitable Human Development, Planning, Programme Monitoring and Statistics Department, Bengaluru.
- Government of Karnataka, 2019a. Economic Survey of Karnataka 2018-19, Planning, Programme Monitoring and Statistics Department, Bengaluru.
- Government of Karnataka, 2019b. Karnataka State Budget 2019-20, Finance Department, Bengaluru.
- HAQ, Centre for Child Rights, 2001. *India's Children and the Union Budget*. HAQ, New Delhi.
- HAQ, Centre for Child Rights, 2015. *Budget for Children 2008-09 to 2013-14*. HAQ, New Delhi.
- Heckman, J.J., 2006. "Skill formation and the economics of investing in disadvantaged children". *Science*, 312(5782), pp.1900-1902.
- Jacob, Jannet Farida and Chakraborty Lekha., 2020. "Fiscal Prudence for What? Analysing the State Finances of Karnataka", *National Institute of Public Finance and Policy*, Working paper No. 293.
- Jena, P.R. and Sikdar, S., 2019. Budget Credibility in India: Assessment through PEFA Framework. *National Institute of Public Finance and Policy*. WP, 284.
- Jha., et al (2019). "Public Expenditure on Children in India: Trends and Patterns". *Centre for Budget and Policy Studies and United Nations Children Fund, India*.

- Kagoro, J.M. and Ndlovu, K., 2013. *Child Friendly Budgeting in Local Authorities Baseline Study Report*. National Association of Non-Governmental Organisations, Zimbabwe.
- Knudsen, E.I., Heckman, J.J., Cameron, J.L. and Shonkoff, J.P., 2006. "Economic, neurobiological, and behavioral perspectives on building America's future workforce". *Proceedings of the national Academy of Sciences*, 103(27), pp.10155-10162.
- Kurniawan, M.F., Harbianto, D., Purwaningrum, D. and Marthias, T., 2012, November. "Evidence-based budgeting policy in maternal and child health programme: do they work?". In *BMC Public Health* (Vol. 12, No. S2, p. A31). BioMed Central.
- Mehrotra, S., 2006. "Child poverty". In *David Alexander Clark (ed), The Elgar Companion to Development Studies*, pp. 54–61. Edward Elgar Publishing Limited, Cheltenham.
- Mehrotra, S. and Delamonica, E., 2002. "Public spending for children: an empirical note". *Journal of International Development: The Journal of the Development Studies Association*, 14(8), pp.1105-1116.
- Nakray, K., 2015. Child Poverty and Ecological Contexts of Deprivation and Well-being: A Critical Review of Budgeting and Social Policy in India. *Social Policy & Administration*, 49(6), pp.752-784.
- Redmond, G, 2012. "Uncertain impacts: Trends in public expenditure on children and child outcomes in Australia since the 1980s". *Child Indicators Research*, 5(4), 753-770.
- Rose, N., 1990. *Governing the soul: The shaping of the private self*. Routledge, London.
- Shreshtha, R. and Chakraborty, L.S., 2019. "Practicing Subnational Public Finance in an Emerging Economy: Fiscal Marksmanship in Kerala". MPRA Paper No. 93367. <https://mpra.ub.uni-muenchen.de/93367/> and NIPFP Working Paper.
- Loayza, N. V. and S. Pennings (2020). "Macroeconomic Policy in the Time of COVID-19: A Primer for Developing Countries." Washington D.C., World Bank.
- UNDP, 2020a. COVID-19 and Human Development: Assessing the Crisis, Envisioning the Recovery. 2020 Human Development Perspectives, UNDP, New York.
- UNICEF, 2017. UNICEF's Engagements in Influencing Domestic Public Finance for Children (PF4C): A Global Programme Framework
- UNICEF, 2020b. UNICEF India Response Plan to COVID-19 Pandemic. UNICEF, India.
- UNICEF 2020c., COVID-19: Upending Investments in Human Capital Across Eastern and Southern Africa, UNICEF
- United Nations. General Assembly, 1960. *Declaration of the Rights of the Child: Adopted by the General Assembly of the United Nations, New York, November 20, 1959* (No. 2). HM Stationery Office.
- United Nations Human Rights Office of the High Commissioner for Human Rights (UNHR OHCHR) (1989), *Convention on the Rights of the Child*.

<https://www.ohchr.org/en/professionalinterest/pages/crc.aspx> (accessed 26 September 26, 2020).

World Bank, 1996. Social Indicators of Development 1996, Baltimore: Johns Hopkins University Press.

World Bank, 2020. Global Economic Prospects. World Bank, Washington

World Bank 2020a. The Impact of the Covid-19 pandemic on education financing, World Bank.

Appendix
Table A1: Score and Rank of Karnataka in Sustainable Development Goal Index

Performance of Karnataka in each SDG			
Category	SDG Goal	Score	Rank
Front Runner (65-99)	SDG 3: Good Health and Well-being	69	5
	SDG 4: Quality Education	76	5
	SDG 7: Affordable and Clean Energy	77	5
	SDG 8: Decent Work and Economic Growth	72	11
	SDG 10: Reduced Inequalities	68	16
	SDG 15: Life on Land	88	8
	SDG 16: Peace, Justice and Strong Institutions	74	12
Performer (50-64)	SDG 1: No Poverty	52	17
	SDG 2: Zero Hunger	54	11
	SDG 6: Clean Water and Sanitation	62	14
	SDG 9: Industry, Innovation and Infrastructure	57	7
Aspirants (0-49)	SDG 5: Gender Inequality	43	6
	SDG 11: Sustainable Cities and Communities	36	16
Karnataka (All Goals)		64	3

Source: NITI Aayog (2018) as presented in Economic Survey of Karnataka, 2018-19

Table A2: Achievement in Health Indicators in Karnataka

Indicator	2011	2012	2013	2014	2015	2016	2017	2018 upto Nov
Birth Rate (per 1000 Population)	18.8	18.5	18.3	18.3	18.3	18.1*	17.6*	17.6*
Death Rate (per 1000 population)	7.1	7.1	7	7	7	6.8*	6.7*	6.7*
Total Fertility Rate	2	1.9	1.9	1.9	1.8**	1.8**	1.8**	1.8**
Maternal Mortality Rate (per million live birth)	178	144	144	144	133	108*	108*	108*
Infant Mortality Rate (per 1000 live births)	35	32	31	31	31	24*	24*	24*
Under Five Mortality Rate (per 1000 children)	40	37	37	37	35	32**	32**	32**
Average Life Expectancy (years)	Male	63.6	63.6	63.6	63.6	69***	69***	69***
	Female	67.1	67.1	67.1	67.1	73.5***	73.5***	73.5***

* Data from Sample Registration System 2016; ** Data from National Family Health Survey-4; ***National Health Profile-2018 (2011 census)

Source: Economic Survey of Karnataka, 2018-19

Table A3: Total Sex Ratio - Major Southern States and India

State	Sex Ratio 2011			
	Total	Rural	Urban	Difference Rural-Urban
Karnataka	973	979	963	16
Andhra Pradesh	993	996	987	9
Kerala	1084	1078	1091	13
Tamil Nadu	996	993	1000	7
India	943	949	929	20

Source: Economic Survey of Karnataka, 2018-19

Table A4: Child Sex Ratio - Southern States and India (1961 to 2011)

States	1961	1971	1981	1991	2001	2011	Dip from 1961 to 2011	Change from 2001 to 2011
Karnataka	987	978	975	960	946	948	39	2
Andhra Pradesh	1002	990	992	975	961	939	63	-22
Kerala	972	976	970	958	960	964	8	4
Tamil Nadu	985	974	967	948	942	943	42	1
India	976	964	962	945	927	919	57	-8

Source: Economic Survey of Karnataka, 2018-19

Table A5: Child Sex Ratio (0-6 years) in Karnataka and India – Region-wise 1991-2011

Year	CSR - Karnataka				CSR - India				TSR - Karnataka
	Total	Rural	Urban	Diff	Total	Rural	Urban	Diff	
1991	960	963	951	12	945	948	935	13	960
2001	946	949	940	9	927	934	906	28	965
2011	948	950	946	4	919	923	905	18	973

Note: CSR – Child Sex Ratio; TSR – Total Sex Ratio. Source: Economic Survey of Karnataka, 2018-19

Table A6: Percentage Distribution of Anthropometric Indicators by Sex and Residence

Anthropometric profile (Children under age 5 years)	Male	Female	Urban	Rural	Total
Stunted (height-for-age)¹	31.9	33.1	19.9	38.6	32.5
Severely stunted (height-for-age)²	12	12.9	7.4	14.8	12.4
Wasted (weight-for-height)¹	20.2	18.5	19.9	19.1	19.3
Severely wasted (weight-for-height)²	5.6	3.6	3	5.3	4.6
Underweight (weight-for-age)¹	30.7	33.9	23.6	36.6	32.4
Severely underweight (weight-for-age)²	8.9	10	7.3	10.5	9.5
Prevalence of anaemia	34.4	35.1	--	--	34.7

Children aged 5-9 years					
Stunted (height-for-age) ¹	22.8	20.2	14.5	24.7	21.5
Severely stunted (height-for-age) ²	4.7	4.3	2.4	5.5	4.5
Moderate or severely thin (BMI for age) z-score < -2 SD ³	30.3	26.1	21.4	31.3	28.2
Severely thin (BMI for age) z-score < -3 SD ³	6.4	7	5.2	7.4	6.7
Overweight or obese (BMI for age) z-score >+1 SD ³	3.3	4.3	6.2	2.7	3.8
Obese (BMI for age) z-score >+2 SD ³	1.6	0.6	2.4	0.5	1.1
Prevalence of anaemia	11.4	17.8	--	--	14.8
Adolescents aged 10-19 years					
Moderate or severely thin (BMI for age) z-score < -2 SD ³	33.7	20.9	21.9	29.4	27.2
Severely thin (BMI for age) z-score < -3 SD ³	10.2	7.8	3.7	11.2	9
Overweight or obese (BMI for age) z-score > +1 SD ³	6.5	8.3	10.7	6.1	7.4
Obese (BMI for age) z-score > +2 SD ³	1.4	2.8	4.6	1.1	2.1
Prevalence of anaemia	8.8	25.6	--	--	17.2
¹ Below -2 standard deviations (SD), based on the WHO standards					
² Below -3 standard deviations, based on the WHO standards					
³ Based on WHO standards					

Source: Comprehensive National Nutrition Survey (CNNS) 2018

Table A7: Performance of Major Southern States on Indicators for SDG 4

	NER Elementary & Secondary	% Learning Outcomes- Class 5	% Learning Outcomes- Class 8	% 6- 13 yrs. Out of School	Dropout Rate- Secondary level	% Prof. Qualified School Teachers	Elementary & Secondary Schools with PTR<=30 (%)
AP	63.5	65	51.25	0.91	15.71	98.1	85.99
Karnataka	85.54	68.67	54.5	1.49	26.18	95.85	76.05
Kerala	91.76	65.67	50.25	0.82	12.32	97.78	91.41
Tamil Nadu	92.86	53	40.25	0.66	8.1	97.58	82.89
India	75.83	54.69	44.58	2.97	17.06	81.15	70.43
Target	100	67.89	57.17	0.28	10	100	100

Note: NER – Net Enrolment Ratio; PTR – Pupil Teacher Ratio. Source: SDG Index, Niti Ayog 2018

Table A8: Literacy Rates in Karnataka and India

	India	Karnataka	Karnataka			
			Rural	Urban	SC	ST
Persons	73	75.36	68.86	86.21	65.3	62.1
Males	82.14	82.85	77.92	90.54	74	71.1
Females	64.6	68.13	59.6	81.71	56.6	53

Source: 2011 Census

Appendix A9: Number of Schools in Karnataka - 2014-15 to 2018-19

Schools	2014-15	2015-16	2016-17	2017-18	2018-19	Change 2014-15 to 2018-19
Primary	60912	60913	62194	62007	62229	1317
% change		0.00	2.10	-0.30	0.36	2.16
Secondary	14937	15140	15773	15666	15867	930
% change		1.36	4.18	-0.68	1.28	6.23
Higher Secondary	4357	4789	5004	5235	5235	878
% change		9.92	4.49	4.62	0.00	20.15
Total	80206	80842	82971	82908	83331	3125
% change		0.79	2.63	-0.08	0.51	3.90

Source: DISE 2018-19

Table A10: Schools by Management in Karnataka (2018-19)

Category		Education Department	Social Welfare + Local bodies	Aided	Unaided	Others + Central	Total
Elementary Schools	No.	43503	1199	2959	14384	184	62229
	%	69.91	1.93	4.76	23.11	0.3	100
Secondary Schools	No.	4695	604	3768	6702	98	15867
	%	29.59	3.81	23.75	42.24	0.62	100
Total	No.	48198	1803	6727	21086	282	78096
	%	61.72	2.31	8.61	27	0.36	100

Source: DISE 2018-19 as in Economic Survey of Karnataka, 2018-19

Table A11: Enrolment in Schools in Karnataka 2014-15 to 2018-19

Enrolments	2014-15	2015-16	2016-17	2017-18	2018-19
Enrolments classes I to V					
Total (in lakh)	53.73	54.06	54.49	54.04	54.82
Boys (in lakh)	27.71	27.87	28.25	28.06	28.52
Girls (in lakh)	26.01	26.19	26.24	25.98	26.3
Enrolments Classes VI to VIII					
Total	29.72	29.34	29.2	29.59	30.5
Boys	15.37	15.19	15.26	15.35	15.78
Girls	14.34	14.16	13.94	14.24	14.72
Enrolments IX to X					
Total	17.67	17.74	18.04	17.59	17.83
Boys	9.21	9.24	9.44	9.16	9.28
Girls	8.46	8.5	8.59	8.43	8.55
Enrolment Total 1 to 10					
Total	101.12	101.14	101.74	101.24	103.13
Boys	52.28	52.3	52.96	52.59	53.57

Girls	48.84	48.84	48.78	46.65	49.56
Total Schools 1 to 10	75849	76053	77967	77552	78096

Source: DISE 2018-19 as in Economic Survey of Karnataka, 2018-19

Table A12: GER and NER at Lower Primary, Higher Primary and Secondary Stages (in %)

Year	Primary level		Higher primary level		Secondary level	
	GER	NER	GER	NER	GER	NER
2006-07	108.28	98.43	107.25	98.52	62	-
2007-08	110.93	96.1	107.53	95.61	65	-
2008-09	107.15	97.33	107.48	98.09	69.77	39.03
2009-10	106.53	95.21	103.1	95.15	75.29	45.07
2010-11	107.53	98.86	103.92	93.57	81.42	58.47
2011-12	107.46	99.21	105.16	96.95	85.65	65.76
2012-13	106.81	97.69	105.66	94.83	84.54	69.3
2013-14	102.36	93.56	90.47	81.78	75.99	55.33
2014-15	102.97	95.47	89.18	81.37	77.31	55.97
2015-16	102.98	96.4	93.36	79.16	83.22	61.75
2016-17	103.71	96.4	93.36	79.16	83.22	61.75
2017-18	102.77	94.45	93.99	80.35	82.37	64.07
2018-19	104.4	95.72	97.07	81.77	83.68	64.45

Source: DISE 2018-19 as in Economic Survey of Karnataka, 2018-19

Table A13: Enrolments and Attrition of a Cohort of Students, 2005-06 to 2014-15

Year	Class	Enrolment (in lakhs)	Attrition (in lakhs)	Cumulative Attrition (in lakhs)	% Cumulative Attrition I - X
2005-06	I	12.19	-	-	-
2006-07	II	11.72	0.47	-	3.86
2007-08	III	11.22	0.5	0.97	7.96
2008-09	IV	11.05	0.17	1.14	9.35
2009-10	V	10.85	0.21	1.35	11.07
2010-11	VI	10.42	0.42	1.77	14.52
2011-12	VII	10.25	0.17	1.94	15.91
2012-13	VIII	9.68	0.57	2.51	20.59
2013-14	IX	8.96	0.72	3.23	26.5
2014-15	X	8.5	0.46	3.69	30.27

Note: Effects of multiple enrolments (one child enrolled in more than one school), repeaters and veracity of data across the years are not considered here for want of data.

Source: Karnataka State Human Development Report (KSHDR) 2015

Table A14: Composition of Revenue Receipts as % of Total Revenue Receipts

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019BE	2018-2019RE	2019-2020BE
Own Revenue Receipts	72.43	73.83	74.42	71.89	68.09	66.62	63.68	62.50	61.97	60.37
Own Tax Revenue	66.58	68.76	69.91	67.39	63.59	62.27	59.27	57.59	57.57	55.95
Own Non-tax Revenue	5.85	5.07	4.50	4.50	4.51	4.35	4.41	4.92	4.39	4.43
Central Transfers	27.57	26.17	25.58	28.11	31.91	33.38	36.32	37.50	38.03	39.63
Tax Devolution	15.87	16.18	15.42	14.07	20.19	21.59	21.60	21.76	21.83	21.89
Grant-in-aid	11.70	9.99	10.16	14.04	11.72	11.79	14.72	15.73	16.20	17.74
Revenue receipts	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21 and Ministry of Statistic and Programme Implementation (MOSPI)

Table A15: Total Expenditure and its Major Components as a Percentage of GDP

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019RE	2019-2020BE
Revenue Expenditure	10.74	10.97	10.92	11.34	11.20	10.91	10.55	10.79	11.43
Capital Expenditure	2.56	2.23	2.08	2.15	1.98	2.33	2.27	2.34	2.52
Total Expenditure	13.30	13.20	13.00	13.48	13.18	13.24	12.82	13.13	13.96
Social Services	4.60	4.79	4.37	4.76	4.94	5.08	4.99	5.12	5.27
<i>Education, Sports, Art, Culture</i>	2.07	2.15	2.03	2.01	1.86	1.83	1.71	1.87	1.76
<i>Medical and Public Health</i>	0.55	0.57	0.56	0.64	0.56	0.60	0.62	0.70	0.61
<i>Water, Sanitation, Housing, Urban Development</i>	0.58	0.59	0.47	0.61	0.86	1.13	1.13	0.87	0.88
<i>Welfare of SC, ST & OBC</i>	0.53	0.57	0.57	0.70	0.72	0.78	0.88	0.82	0.70
<i>Social Welfare and Nutrition</i>	0.06	0.05	0.05	0.05	0.06	0.05	0.06	0.05	0.05
<i>Labour and Employment</i>	0.04	0.04	0.03	0.03	0.03	0.02	0.02	0.02	0.02
Economic Services	5.17	4.84	4.90	4.90	4.62	5.01	4.73	4.67	5.02
<i>Agricultural & Allied Services</i>	0.94	1.10	1.57	1.18	1.08	1.08	1.12	1.31	1.40
<i>Rural Development</i>	0.35	0.37	0.29	0.55	0.50	0.48	0.41	0.50	0.49
<i>Irrigation & Flood Control</i>	1.04	0.84	0.87	0.95	0.79	0.88	0.93	1.02	0.99
<i>Energy</i>	1.06	1.18	0.77	0.77	0.88	0.87	0.78	0.76	0.83
<i>Transport</i>	0.94	0.96	0.96	0.92	0.86	1.08	0.94	0.93	0.79
General Services	3.53	3.56	3.73	3.82	3.62	3.14	3.11	3.34	3.67
<i>Interest Payments</i>	1.00	0.98	0.96	1.03	1.03	1.00	1.03	1.02	1.20

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21 and Ministry of Statistic and Programme Implementation (MOSPI)

Table A16: Department-wise CCA and its percentage to Total Departments Budget (Rs. in Lakhs)

Table: Percentage share of the expenditures dedicated to children over the total budget of the respective departments (Rs. in Lakhs)																
DD No	Department	2017-18 (Actuals)			2018-19 (Accounts)			2019-20 (BE)			2019-20 (RE)			2020-21 (BE)		
		Non-prog Exp	Prog Exp.	Total	Non-prog Exp	Prog Exp.	Total	Non-prog Exp	Prog Exp	Total	Non-prog Exp	Prog Exp.	Total	Non-prog Exp	Prog Exp.	Total
8	Forest, Ecology and Environment															
	CCA	0	7773.7	7773.7	0	9008.64	9008.64	0	8718	8718	0	8818	8818	0	9265	9265
	Total Dept Budget			186759.37			159378			148656.48			155951.1			190132.3
	% to Dept Budget	0.00	4.16	4.16	0.00	5.65	5.65	0.00	5.86	5.86	0.00	5.65	5.65	0.00	4.87	4.87
10	Social Welfare Department															
	CCA	0	131216.02	131216.02	0	143798.4	143798	0	145464	145463.96	0	150825.12	150825.1	0	156256	156256
	Total Dept Budget			1154940.4			1191778			1111668.6			1005645			940173
	% to Dept Budget	0.00	11.36	11.36	0.00	12.07	12.07	0.00	13.09	13.09	0.00	15.00	15.00	0.00	16.62	16.62
11	Department of Women & Child Development															
	CCA	543.99	325266.71	325810.7	350.1	359960.3	360310	537	472964	473501	537	471635.21	472172.2	498	411249.5	411747.5
	Total Dept Budget			453837.6			494055			523704.76			522041.3			463488.9
	% to Dept Budget	0.12	71.67	71.79	0.07	72.86	72.93	0.10	90.31	90.41	0.10	90.34	90.45	0.11	88.73	88.84
17	Education Department															
	CCA	1270488	475618.59	1746106.3	1539300	466409.1	2005709	1666505.7	566732.9	2233238.7	1712971	557010.21	2269981	1863521	583974.5	2447495
	Total Dept Budget			2195134.2			2420128			2744291.4			2776078			2855402
	% to Dept Budget	57.88	21.67	79.54	63.60	19.27	82.88	60.73	20.65	81.38	61.70	20.06	81.77	65.26	20.45	85.71
22	Health and Family Welfare Department															
	CCA	22655.73	4324.35	26980.08	4679.37	2766.58	7445.95	21819.65	4988	26807.65	4885	1988	6873	7171	4700	11871
	Total Dept Budget			779497.55			916120			932628.54			880330.6			991665.9
	% to Dept Budget	2.91	0.55	3.46	0.51	0.30	0.81	2.34	0.53	2.87	0.55	0.23	0.78	0.72	0.47	1.20

23 Labour & Skill Development																
CCA	0	520	520	0	500	500	0	400	400	0	400	400	0	400	400	
Total Dept Budget			127432.13			122635			144588.46			146966.9			153085.7	
% to Dept Budget	0.00	0.41	0.41	0.00	0.41	0.41	0.00	0.28	0.28	0.00	0.27	0.27	0.00	0.26	0.26	
27 Law Department																
CCA	0	0	0	0	0	0	0	0	0	149	0	149	2134	0	2134	
Total Dept Budget			72345.66			151640			120678.93			123875.4			137042.4	
% to Dept Budget	--	--	--	--	--	--	--	--	=	0.12	0.00	0.12	1.56	0.00	1.56	
Total Child Centric Allocation																
Total CCA	1293687	944719.37	2238406.8	1544330	982442.9	2526773	1688862.4	1199267	2888129.3	1718542	1190676.5	2909219	1873324	1165845	3039169	
% to Total CSE	57.80	42.20	100.00	61.12	38.88	100.00	58.48	41.52	100.00	59.07	40.93	100.00	61.64	38.36	100.00	

Note: List is open-ended and illustrative.

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21

Table A17: An Illustrative List of PF4C, Karnataka (Rs. In Lakhs)

List of Child Specific Schemes									
	DD No /Description /Department	Heads of Account and Schemes	Accounts 2017-18	Budget 2018-19	Revised 2018-19	2018-19 (Accounts)	Budget 2019-20	Revised 2019-20	Budget 2020-21
	DD 8	Forest, Ecology and Environment							
1	2406-02-110-0-54	Nature Conservation, Wildlife Habitat Management & Man-Animal Conflict Measures	7773.7	12903	12903	9008.64	8718	8818	9265
		Total	7773.7	12903	12903	9008.64	8718	8818	9265
	DD 10	Social Welfare							
	Revenue Accounts								
2	2225-01-277-0-65	Maintenance of Residential Schools (MDRSs)(KREIS)	27954	26932	26932	26932	40081	40081	51500
3	2225-01-001-0-08	Unspent SCSP-TSP Amount as per the SCSP-TSP Act 2013	7565	15341	15341	15341	19063.96	19063.96	7275
4	2225-02-001-0-03	Unspent SCSP-TSP Amount as per the SCSP-TSP Act 2013	4422	3739	3739	3739	4397	4397	4083
5	2225-03-277-2-80	Minorities Residential Schools	14163.2	14906	14906	15306.36	19098	19632.41	0
6	2225-04-277-0-10	Minorities Residential Schools	0	0	0	0	0	0	18903
7	2225-04-277-0-09	Opening of New Hostels for Minorities and Maintenance of Moulana Azad Schools/Colleges	0	0	0	0	0	0	2249
8	2225-03-277-2-37	Training, Awareness and Incentives to BC Students	5710.67	5500	5500	5276.9	5400	3400	2365
9	2225-02-277-0-36	Upgradation of Merit of ST Students	3000	2700	2700	2700	3800	3800	3800
10	2225-02-277-0-37	Morarji Desai Residential Schools (MDRSs) and Maintenance of Kittur Rani Chenamma Residential School (KREIS)	5942	5576	5576	5576	10211	10211	14200
11	2225-01-277-0-64	Morarji Desai Residential Schools (MDRSs) Transferred from Education Department	3188	2115	2115	2115	3618	3618	0

12	2225-03-277-2-77	Morarji Desai Residential Schools (MDRSs) Transferred from Education Department-BC	439	490	490	490	652	652	0
13	2225-02-277-0-34	Starting of New Morarji Desai Residential Schools	730	2580	2580	2580	4527	4527	0
14	2225-02-277-0-35	Opening of New Hostels	400	280	280	280	500	375	0
15	2225-03-277-2-52	Pre-Matric Scholarship to Backward Classes Students	11208.15	11250	11250	11247.1	5000	13486	11500
16	2225-03-277-2-62	Starting and Maintenance of New Morarji Desai Residential Schools for Backward Classes (KREIS)	18970	19208	19208	19208	13079	13079	19300
	Revenue Accounts	Total	103692.02	110617	110617	110791.36	129426.96	136322.37	135175
	Capital Accounts								
17	4225-02-277-7-01	Construction of Ashram Schools and Hostels (CSS)	1500	1200	1200	1200	1200	900	300
18	4225-02-277-2-02	Construction of Ashram Schools & Hostels	1000	937	937	937	937	702.75	1000
19	4225-02-277-2-03	Construction of Residential Schools	9105	4000	4000	21000	4000	3000	14000
20	4225-03-277-2-04	Construction of Residential Schools - Navodaya Pattern	15919	9870	9870	9870	9900	9900	5781
	Capital Accounts	Total	27524	16007	16007	33007	16037	14502.75	21081
	DD 10	Total	131216.02	126624	126624	143798.36	145463.96	150825.12	156256
	DD 11	WCD							
	Revenue Accounts								
21	2235-02-102-0-40	Maintenance of Anganwadies	0	2	2	0	1001	1001	1000
22	2235-02-102-0-13	Creches for Working Mothers	468.32	914	914	0	200	833.65	500
23	2235-02-102-0-43	CSS - Poshan Abhiyan (National Nutrition Mission)	0	0	8757.58	8757.58	1	12972.15	12500
24	2235-02-102-0-44	Upgradation of Urban Anganwadis Improvements	0	0	0	0	300	300	300
25	2235-02-102-0-41	Beti Bachao, Beti Padhao	0	300	300	0	100	100	0
26	2235-02-102-0-37	ICPS Assured income Scheme for Orphan and Destitute Children	0	1	1	1	0	0	28
27	2235-02-102-0-36	Integrated Child Protection Scheme	10977.33	6811	6311	7720.34	7831	7837.66	9130

28	2235-02-102-0-04	CSS of Integrated Child Development Service	4948.33	967	967	314.77	472	614.75	265
29	2235-02-197-6-03	Integrated Child Development Service	111682.19	94897	106702.9	107049.14	154745	160537	156826.81
30	2235-02-102-0-30	Meeting Medical Expenses of Malnourished Children	335.14	200	200	166.94	200	200	200
31	2235-02-103-0-61	Pradhana Mantri Maatru Vandana Yojane	7917.57	10000	10000	1730.73	1000	5710	5700
32	2235-02-196-6-01	Assistance to Zilla Parishads CSS/CPS Block Grants	1159	985	985	736.25	1282	1282	1212.66
33	2235-02-197-1-01	Assistance to Block Panchayats - Taluk Panchayats	2564.58	2747	2747	2741.76	2506	2506	2520
34	2235-02-103-0-58	Maatrushree Yojane	0	35000	25000	516.72	47000	22290	0
35	2235-02-102-0-27	Hoysala and Keladi Chennamma Prashasthi	40.85	44	44	37.51	30	30	30
36	2235-02-102-0-33	Special Care Centres for Children	1500	1500	1500	1500	1500	1500	1500
37	2235-02-102-0-05	CSS- Training of Anganwadi Workers & Helpers	534.54	1000	1000	397.34	100	100	50
38	2235-02-103-0-46	Rajiv Gandhi Scheme for empowerment of Adolescent Girls (SABALA)	109.73	423	423	12.66	900	200	712
39	2235-02-102-0-25	Bhagya Lakshmi	30189.9	30943	30943	29427.47	30942	30942	10000
40	2235-02-102-0-99	Bal Bhavan, Bravery Awards & Children's and Women's Day and Juvenile Service Bureau and Child Guidance Clinics	811.18	1257	1257	1260.14	1323	1323	1219
41	2235-02-196-1-03	Block Grants (Physically Handicapped)	1921	1916	1916	1915.7	2286	2286	1881.5
42	2236-02-197-6-01	Distribution of Nutritious Foods & Beverages - Asst to Taluka Panchayat-Block Grants	136344.81	215042	215042	188827.77	215042	215042	197174.53
43	2235-02-101-0-02	Development of Schools for Deaf and Blind	41.34	70	70	56.21	83	83	85
44	2235-02-102-0-31	Balavikasa Academy, Dharwad	300	150	150	150	140	140	141
45	2235-02-102-0-28	Karnataka State Commission for Protection of Child Rights	202.65	204	204	143.89	214	214	172
	Revenue Accounts	Total	312048.46	405373	415436.48	353463.92	469198	468044.21	403147.5

	Capital Accounts								
46	4235-02-102-1-03	Upgradation of Anganwadi Buildings	0	3	1738.4	1409.4	3	3	1000
47	4235-02-102-0-06	Construction of Anganwadi Buildings (ICDS-NREGA)	5781.78	3900	3900	684.79	500	375	500
48	4235-02-102-0-01	Construction of Anganwadi Buildings-RIDF	4389.64	4338	1200	1154.27	100	50	5000
49	4235-02-102-0-02	Anganawadi Buildings	3590.82	3600	3600	3598	3600	3600	2000
50	4235-02-102-0-07	Chikkamagaluru Bala Mandira	0	0	0	0	100	100	100
	Capital Accounts	Total	13762.24	11841	10438.4	6846.46	4303	4128	8600
	DD 11	Total	325810.7	417214	425874.88	360310.38	473501	472172.21	411747.5
	DD 17	Education							
	Revenue Accounts								
51	2203-00-108-0-00	Examinations	1204.01	1595	1595	1288.13	1255	1255	0
52	2202-80-800-0-48	Education Quality Improvement Program	1167.83	1400	900	900	915	915	550
53	2202-02-109-0-22	GIA to Staff in Vocationalisation of Secondary Education	183.7	168	168	191.96	150	150	107
54	2202-02-001-0-09	Unspent SCSP-TSP Amount as per the SCSP-TSP Act 2013	590.74	582	582	581.96	3073.95	3073.95	30
55	2202-01-102-0-05	Reimbursement of fees to Private Schools under RTE	39275.36	20000	20000	19962.59	50000	50000	55000
56	2202-02-110-3-03	Kittur Rani Chennamma Residential School for Girls	503	503	503	503	503	503	503
57	2202-80-800-0-47	Quality Assurance Initiatives	3000	2750	2750	2562	1404	1404	500
58	2202-01-109-0-03	Vidya Vikasa Scheme-Incentive for Students	50114.81	46556	46556	46627	53811	53811	39046
59	2202-80-107-0-01	Military Scholarship	0	8	8	6.65	8	8	8
60	2202-02-107-3-02	Scholarships Sainik School, Bijapur	517.63	656	560	512.45	656	656	944
61	2202-01-115-0-01	State initiatives under SSA Society	30021.76	24114	20046.5	0	24162	33610.1	0
62	2202-02-109-0-21	Rashtriya Madhyamika Shikshana Abhiyan (RMSA)	8490.88	8784	7359	8782.77	5703	5704.09	0
63	2202-02-197-6-01	Assistance to Block Shikshana Abhiyan	13373.61	15673	15673	16426.53	14286.97	15915.25	0
64	2202-02-108-0-01	Pre-University Examination	7651.94	5945	7195	6739.84	9029	9029	8166

65	2202-01-196-6-01	Universalization of Primary Education - Aksharadasoha	158760.09	194716	194716	170562.91	195882	182098.25	197867.39
66	2202-80-003-0-05	Computer Literacy Awareness in Secondary Schools	2852.05	3000	3000	2998.88	1531	1531	0
67	2202-80-800-0-49	Students Motivation Initiatives	1886.39	1414	1414	1292.2	872	872	1000
68	2202-01-101-0-08	Students Motivation Initiatives	0	0	0	0	1	1	0
69	2202-01-053-0-01	Maintenance of School Buildings	3422.97	1603	1603	1602.99	1603	1603	1603
70	2202-02-053-0-01	Maintenance of Secondary School Building	2990.25	3500	3500	2959	3500	3500	3400
71	2202-01-053-0-02	Maintenance of School Facilities	2165.1	2500	2500	2431.88	2500	2500	3000
72	2202-01-113-0-01	Samagra Shikshana Abhiyana - Karnataka	0	0	0	0	0	0	29940
73	2202-01-197-6-01	Sarva Shiksha Abhiyana	93964.65	127760	127768.36	124813.44	126755	129100.57	149504.06
74	2202-02-110-3-11	Sainik School Koodige	713	763	763	763	763	763	813
75	2202-02-110-3-10	Sainik School Bijapur	923	723	723	723	723	723	773
76	2202-02-001-0-06	Commissionerate of Public Instruction - Dharwad	573.4	627	627	745.8	817	825.99	928
77	2202-02-001-0-07	Karnataka Secondary Education	1063.61	1145	1145	1338.52	1406	1406	1327
78	2202-02-196-6-01	ZP Schools	301	296	385.67	341.63	294	397.36	389.34
79	2202-01-196-1-01	Block Assistance to Zilla Panchayats	7981.93	9116	9116	9465.06	10075.17	10300.17	9907.91
80	2202-02-001-0-04	Director, State Educational Research and Training	1414	1077	1077	1114.59	1537	1563.99	1533
81	2202-02-110-3-01	Assistance to Non-Government Secondary Schools (State Sector Schemes)	48267.14	49157	49157	56779.28	59404	59404	64875
82	2202-02-001-0-01	Director of Pre-University Education	3018.59	2110	2110	2484.4	2363	2447.33	1851
83	2202-01-197-1-01	Taluk Panchayats Block Grants	737105.67	926155	926155	891412.12	966885	1004821.89	1092554.4
84	2202-02-196-1-01	Assistance to Zilla Parishads Block Grants	176703	182726	182761	212559.4	224055.53	227280.53	243508.63
85	2202-02-197-1-01	Assistance to Block Panchayats Block Grants	215217.13	280042	280042	269448.77	297407.03	303171.14	331840.35
86	2202-01-107-0-09	Teachers Training and Orientation Training Centres	1448.26	1591	1591	1733.24	1850	1850	1865
87	2202-01-107-0-06	Non-Govt. Teachers' Training Institutions	1064.45	1097	1097	1274.42	1296	1296	1426

88	2202-02-109-0-13	Government PU Colleges	73145.44	82339	82339	87322.6	95597	94628.49	107923
89	2202-02-001-0-05	Commissionerate of Public Instruction - Gulbarga	488.46	656	656	681.69	729	763.46	778
90	2202-02-001-0-03	Commissioner for Public Instructions-Bangalore	2511.93	2206	2206	2406.72	2640	2664.92	2707
	Revenue Accounts	Total	1694076.78	2005053	2000347.53	1952340.42	2165442.65	2211547.48	2356168.1
	Capital Accounts								
91	4202-02-104-1-01	Construction of Polytechnics	15262	12489	12489	12538.38	16550	13852.5	13123
92	4202-01-201-1-06	Infrastructure for Karnataka Public Schools	0	0	0	0	0	0	10000
93	4202-01-201-1-04	Infrastructure for Primary Schools	2480.43	6000	6000	5996.82	9000	9000	31000
94	4202-01-202-2-01	Equipment and Furniture for High School and PU-College	0	0	0	0	0	0	10000
95	4202-01-202-1-05	Infrastructure facilities for High Schools and PU Colleges	22287.09	23476	23477	23483.63	32246	30409.5	27203
96	4202-01-202-1-07	(RMSA) Samagra Shikshana - Infrastructure expenditure	12000	15000	11311	11350	10000	5172	1
	Capital Accounts	Total	52029.52	56965	53277	53368.83	67796	58434	91327
	DD 17	Total	1746106.3	2062018	2053624.53	2005709.25	2233238.65	2269981.48	2447495.1
	22	Health and Family Welfare							
	Revenue Accounts								
97	2210-01-200-0-04	Shuchi Yojane	4324.35	4988	4988	2766.58	4988	1988	4700
98	2210-05-105-1-20	Indira Gandhi Institute of Child Health	3689.83	4128	4128	4679.37	4885	4885	5171
	Revenue Accounts	Total	8014.18	9116	9116	7445.95	9873	6873	9871
	Capital Accounts								
99	4210-01-110-1-22	Construction of 450-Bed	18965.9	17483	15321	0	16934.65	0	2000
	Capital Accounts	Total	18965.9	17483	15321	0	16934.65	0	2000
	DD 22	Total	26980.08	26599	24437	7445.95	26807.65	6873	11871
	23	Labour & Skill Development							
	Revenue Accounts								
100	2230-01-103-6-01	Child Labour Rehabilitation	520	500	500	500	400	400	400

	Revenue Accounts	Total	520	500	500	500	400	400	400
	27	Law							
	Revenue Accounts								
101	2014-00-103-0-03	CSS-Fast Track Special Courts for disposal of cases pending under Rape and POCSO Act	0	0	0	0	0	149	2134
	Revenue Accounts	Total	0	0	0	0	0	149	2134

Note: The list is open-ended and illustrative

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21

Table A18: Re-categorized PF4C as a percentage of Total Expenditure net of Interest Payments

	2017-18 A/c	2018-19 BE	2018-19 RE	2018-19 A/c	2019-20 BE	2019-20 RE	2020-21BE
Protection	1.08	0.79	0.87	0.77	0.98	1.02	1.04
Regulatory	0.11	0.08	0.09	0.09	0.10	0.10	0.09
Economic	0.10	0.08	0.07	0.07	0.09	0.08	0.07
<i>Of which Financial</i>	0.81	0.81	0.76	0.59	0.94	0.92	0.65
Social	11.95	12.55	12.45	12.30	12.17	12.81	13.41

Source: (Basic data) Finance Accounts (various years) and Karnataka State Budget 2019-20 and 2020-21

MORE IN THE SERIES

- Tandon, Suranjali., (2021). [In search of a solution to tax digital economy](#), W.P. No. 354 (October).
- Patnaik, Ila and Sengupta, R., (2021). [Analysing India's Exchange Rate Regime](#), W.P. No. 353 (September).
- Datta, S., and Saratchand, C., (2021). [On the Macrodynamics of COVID-19 Vaccination](#), W.P. No. 352 (August).

Jannet Farida Jacob, is Former Research Fellow, NIPFP
Email: jannetfarida@gmail.com

Lekha Chakraborty, is Professor, NIPFP
Email: lekha.chakraborty@nipfp.org.in



National Institute of Public Finance and Policy,
18/2, Satsang Vihar Marg, Special Institutional
Area (Near JNU), New Delhi 110067
Tel. No. 26569303, 26569780, 26569784
Fax: 91-11-26852548
www.nipfp.org.in

[http://mospi.nic.in/sites/default/files/publication_reports/Report 585 75th round Education final 1507 0.pdf](http://mospi.nic.in/sites/default/files/publication_reports/Report_585_75th_round_Education_final_1507_0.pdf)

ⁱⁱ <https://www.karnataka.com/govt/covid-19-relief-packages-in-karnataka/>