

**Requirements and Expectations of Muslims of India
From Union Budget of 2015-16**

Compiled through Research and Consultations

**For Presentation to the Government of India
For Consideration and Necessary Allocations**

Prepared by: COVA (Confederation of Voluntary Associations), Hyderabad, India;¹

“Three out of ten Muslims live on less than Rs 550 (\$9.23) per month.”

National Council for Applied Economic Research (NCAER) Report 2010

"The expectation that the poorest Indians, a group where the representation of Muslims is disproportionately high, would see better days in the 2010s has been belied,"

Yashwant Singh, BJP Leader and former Finance Minister of India

Sachar Committee Report (2006)² and Ranganath Mishra Commission Report (2007)

³unequivocally endorse the acute backwardness of the Indian Muslim community and list out a wide range of measure and policy transformations that are required to mitigate rampant backwardness and facilitate development of the community.

From all the above reports and observations it is clear that just a critique of the existing programs and lamentation of low budget utilisation for Muslims along with calls for proper implementation of schemes and programs alone will not change the situation much. **What are required are dimensional transformations in terms of innovative program additions and quantum leap in budget allocations** along with review and remodeling of the implementation of existing programs for optimal utilisation of budget allocations and creation of desired impact.

Key Requirements of Muslims from the Union Budget

Dimensional Changes:

1. At least 50 per cent cumulative increase in Budget allocation for Minorities every year for the next 10 years starting with a minimum allocation of Rs.5000 crores from 2015-16 to reach an allocation of at least 90 thousand crores annually- on par with the existing budget allocations for SCs and STs that is Rs 82,935 for the year 2014-15 while it is just Rs. 3734 crores for minorities. Per Capita Budget Allocations for Minorities in 2013-14 was just Rs. 10.09 while it was Rs.2189.50 for the Scheduled Castes (SCs);
2. Enhanced allocations of at least Rs.300 crores every year for five years for Muslim *Wakf* Properties (and also for Christian Religious Charitable Trust Properties): for survey, documentation, computerization, removal of encroachments and protection;

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² http://www.minorityaffairs.gov.in/sites/upload_files/moma/files/pdfs/sachar_comm.pdf

³ http://www.minorityaffairs.gov.in/sites/upload_files/moma/files/pdfs/volume-1.pdf and

http://www.minorityaffairs.gov.in/sites/upload_files/moma/files/pdfs/volume-2.pdf

3. Special Allocations of at least Rs. 200 crores for the next five years for Financial Literacy and Inclusion of Muslims to access credit from banks and other financial institutions;
4. Allocation of at least Rs. 500 crores for the next five years for skill development, retraining and entrepreneurship development among Muslims and other minorities with provision for creation and functioning of an e-Commerce Platform;
5. Allocation of Rs. 50 Crores every year for creation and maintenance of a National Data Bank for Minorities for documenting socio-economic, educational and employment status of Minorities for informed policy formulation and effective development interventions;
6. Legal Literacy: According to a Tata Institute of Social Science (TISS) study of June 2012, 36% of the prison population in Maharashtra is Muslim when they constitute only 10.6% of the general population. Similar is the story across the country. Further, records show that Muslim community is the worst affected due to communal riots with little access or idea about securing compensation for loss of life or property. Hence appropriate budgetary allocation is required to impart the much needed legal literacy for Muslim community.
7. Separate Parliamentary Standing Committee for MoMA, now it is under Ministry of Social Justice and Empowerment.
8. Carry forward of unspent funds to next year as additional allocation.

Existing Programs: Review and Remodeling

1. 100 per cent enhancement in all scholarships amounts and targets every year for the next five years along with provision for total implementation DISE data shows that present allocations make available only one scholarship for eleven Muslim students. Unit costs of scholarships for Muslim students also to be enhanced to the level of scholarships for SC and ST students (that also need enhancement). Regular enhancement of scholarship amounts to be linked to inflation.
2. Rationalization of rules and simplification of eligibility conditions and application procedures for availing all schemes;
3. On line display of reasons for rejection of applications of all schemes on the official Website of Ministry of Minority Affairs (MoMA) for transparency and accountability;
4. Allocation of Rs. 50 crores very year for the next five years for construction and maintenance of hostels for Muslim girl students and working women in all cities and district head quarters for their empowerment.
5. Preferential admission in Kasturba Gandhi institutions and opening of schools as per norms of RTE Act 2009 within 3 years in Muslim concentrated localities
6. Reporting of Financial Allocations and Physical Targets for Muslims under 15 Point Program in all Central Schemes to ensure proper implementation; and
7. Review of MSDP (Multisectoral Development Program) Scheme to ensure targeted benefits for the Muslim community for whom it is intended and 50 per cent cumulative enhancement every year in Block-wise allocations;
8. All other existing Schemes to continue with 50 per cent enhanced allocations

Important Note: As Muslims community is not monolithic but has gender, caste and class distinctions, all programs should be designed and oriented to reach out to and provide privileged access to Muslim women, Dalit Muslims and those below poverty line.

Introduction

Minorities comprising 19.5 per cent of the population of India consist of Muslims (13.4 %), Christians (2.3), Sikhs (1.9), Buddhists (0.8), Jains (0.4) and Parsis (0.006)⁴.

India, a secular country and that proclaims inclusive growth for all as an intrinsic principle of its planning has a total budget allocation for MoMA for 2014-15 of 3734.01 that is only 0.7 per cent of Total Plan Fund of Union Budget 2014-15 for catering to 19.5 per cent of its population. Further, if we look at the details of the budget allocation of the total amount of Rs. 3734.01 crores, we find that around 70 per cent fund (Rs. 2,577 Crores) is allocated for grants- in- aid to state Governments, Union Territories, and North Eastern Areas⁵.

Muslims who constitute 73 per cent of the minority population (2001 census) are recognised as the most backward among all minorities requiring special attention for their development. India's Muslims have the lowest living standard in the country on a per capita basis. According to data from Pew Research, Muslims spend, on average, only 32.7 Rupees (\$0.52) per day. At the other end of the wealth spectrum, on average, India's tiny minority of Sikhs spend 55.3 Rupees per day. Christians (51.4 Rupees) and Hindus (37.5 Rupees) fall somewhere in between⁶.

Researchers say only 6 per cent of India's Muslims are in secure government employment, while another 8 per cent are in the private sector. The vast majority is in agriculture (65%), while the rest are employed in very small businesses or own tiny enterprises⁷.

In 2006, the Prime Minister's 15-Point Programme (that had been operational since 1980s to specially address backwardness among Muslims), was revamped to bring into focus the vital concerns of (a) education; (b) employment and skill development; (c) living conditions; and (d) security among Muslims by bringing within its ambit select flagship schemes and interventions.

Despite all such special schemes and programs, the MoMA was able to utilize only 78 per cent of the total outlay earmarked in the 11th Plan period and actual utilization of the budget estimate by the Ministry was as less as 60.41 per cent for the year 2012-13 and was at its lowest at only 39.33 per cent in 2007-08.

BJP Government and Budget for Minorities

The BJP manifesto for 2014 General Elections had promised to give adequate focus on the development of minorities, particularly Muslims but as stated earlier, only 0.7 per cent of total plan fund of Union Budget 2014-15 is earmarked for minorities who constitute 19.5 per cent of the population. Only one new scheme under "Up gradation of Traditional Skills in Arts, Resources and Goods" for development of minorities has been introduced but there was no fund allocation for 2014-15. Another addition is the allocation of Rs. 100 crore made for *Madrassa* Modernisation Programme, under the Department of School Education.

Systemic Changes Required

⁴ Census of India 2001

⁵ <http://www.minorityaffairs.gov.in>

⁶ International Business Times

<http://www.ibtimes.com/surprise-surprise-muslims-are-indias-poorest-worst-educated-religious-group-1392849>

Given the backwardness of Muslims relative to all other minorities and the general population, the plan funds for minorities should have allocated funds in proportion to their population in the Union Budgets 2013-14 and 2014-15, out of which at least 73 per cent should have gone to the Muslims.

Records show that there are huge gaps in allocation of resources, utilisation of funds and programme implementation for the development of minorities. It is clear the inclusion of Minority related programs in the budgetary processes through a separate budget statement in the Union Budget as is already being done in the case of women, children, SCs and STs (for expenditure reporting) will greatly help in a more robust utilization of the budget allotted and facilitate optimal development of the community. But the Budget 2014-15 is also silent about this and it is important the present government undertake this radical policy transformation that the development of minorities, particularly Muslims, require at least from 2015-16.

Key Requirements of Muslims from the Union Budget 2015-16

Dimensional Transformations

1. **At least 50 per cent cumulative increase in Budget allocation for Minorities every year for the next 10 years starting from 2015-16**

"I have allocated Rs. 3,511 crore to the MoMA. This is an increase of 12 percent over the BE and 60 percent over the RE of 2012-13. No previous government has reflected as much sincerity for the uplift of Muslims," Finance Minister P. Chidambaram told reporters March 1st 2013.

In the budget for 2014-15 Finance Minister Arun Jaitley made a provision of Rs 82,935 crore for the welfare of SCs and STs combined⁸, who together constitute around 25.2 per cent of India's population. However, he announced reallocation of a sum of only Rs 3,734 crore for minorities that constitute 19.5 per cent of the population. Table 1 shows the huge disparity between per capita allocations for SCs and Minorities:

Table 1: Per capita Expenditure Spent in Budget from Ministry of Social Justice and Empowerment for Welfare of SCs, STs and OBCs and Welfare of Minorities (crores of Rupees)⁹

Details	Actual 2012-2013	Budget 2013-2014	Revised 2013-2014	Budget 2014-2015
All Ministry Expenditure	4939.72	6725.32	5723.35	6212.74
Total-Welfare of SCs, STs and OBCs	4416	5430.98	4630.47	2051.26
SC Expenditure	3679.48	4409.18	3740.46	2002.77
Per capita Expenditure	1827.15	2189.50	1857.43	994.53
ST Expenditure	5.38	11.5	11.5	11.76
Per capita Expenditure	0.52	1.10	1.10	1.13
SC&ST Expenditure	3684.86	4420.68	3751.96	2014.53
Per capita Expenditure	120.55	144.63	122.75	65.91
BC Expenditure	731.14	1010.3	878.51	36.73
Per capita Expenditure				
Minorities Expenditure	133.78	238.02	238.69	423.11
* Per capita Expenditure	5.67	10.09	10.11	17.93

⁸ http://articles.economictimes.indiatimes.com/2014-07-10/news/51301217_1_scs-welfare-plans-finance-minister-arun-jaitley

⁹ GoI, Ministry Of Social Justice And Empowerment, **Demand No. 90**, Department of Social Justice and Empowerment: www.indiabudget.nic.in/

Table 1 above clearly shows the very wide disparity between per capita expenditure for SCs and Muslims with maximum occurring in 2013-14 with per capita expenditure of Rs 1857.43 for SCs and only Rs.10.11 for minorities.

Even with a 50 per cent cumulative enhancement in the budget for minorities every year, it will take minorities at least eight years to catch up with the present budget allocations of Rs. 82,935 crores that are available for the SCs and STs¹⁰.

Given that SC communities are unable to develop at a good pace despite such large allocations and the condition of Muslims is similar to that of SCs and STs, it is imperative that the allocations for minorities should have a cumulative enhancement by 50 per cent every year for at least ten years with a minimum allocation of 5000 crores starting from 2015-16 if their situation is to improve to a satisfactory level. Nearly Rs. 1000 crores remain for the coming two years 2015-16 and 2016-17 from Rs. 17,323 crore allocations for Minorities for the 12th Five Year Plan for 2012 to 2017¹¹. The 12th Five Year Plan also noted that there is a need to increase the financial allocations for the Ministry of Minority Affairs across board.

Hence allocation of Rs.5000 crores for Minorities for 2015-16 and Rs.7500 crores for 2016-17 will entail a nominal increase of just Rs.2500 crores from the Planned Allocations and should be easily possible.

2. Enhanced allocations for *Wakf* Properties: for survey, documentation, computerization, removal of encroachments and protection

According to *Sachar* Committee Report, Waqf lands can produce a whopping sum of Rs 12,000 crore a year- that is more than three times the current budget allocations by the Government of India (GoI) for minorities of Rs. 3,734 crores. However, large number of *Wakf* properties are encroached with no proper records and provisions for eviction and reclamation.

Allocation of at least Rs. 500 crores for five years starting from 2015-16 Budget for survey, documentation and computerization along with enactment and implementation of appropriate laws for reclamation of encroached properties can greatly transform the socio-economic condition of the Muslim community and provide great impetus to the national economy also.

This budget allocation and exercise could also include the Christian Religious Charitable Trust properties that are also being encroached blatantly and that can also be utilized for improvement of the conditions of poor Christians and the national economy.

3. Special Allocations for Financial Literacy and Inclusion of Muslims to access credit from banks and other financial institutions

¹⁰ It's another matter that all the Union Governments had unabashedly diverted over 60% funds earmarked for SCs and STs and a staggering sum of Rs 5,27,723.72 crores were diverted from funds for these marginalised communities between 2007 -08 to 20015-15. *Denial And Diversion Of Plan Fund: The Great Adivasi-Dalit Rip-Off- Tehalka.com*

<http://www.tehalka.com/denial-and-diversion-of-plan-fund-the-great-ativasi-dalit-rip-off/#.VJ0zosAA>

¹¹ Expenditure under 12th Plan- for 2012-13 and 2013-14,

http://www.minorityaffairs.gov.in/sites/upload_files/moma/files/BE,RE&Exp_2013-2014.pdf

84 per cent Muslims are engaged in unorganized sector, mostly self employed in petty businesses and with acute difficulty in accessing credit from banks and other financial institutions. One of the key reasons for the backwardness of the Muslim community is absence of access to adequate capital from banks and other formal financial institutions.

As far back as 1972, GoI has stipulated that at least 40 per cent of all loans given by all public and private sector banks must be given to the MSME (Micro, Small and Medium Enterprises). From 2006, it is stipulated that 15 per cent of this 40 per cent should be given to Muslims as per 15 Point Program. This means that at least 6 per cent of all lending by banks should be given to Muslims. Total credit given by banks by March 2011 was 24.90 lakh crore (The Tribune). At 13.4 per cent of the population, Muslims should get at least 3.33 lakh Crore in proportion to their population. Even according to 15 Point Programme, Muslims are entitled to 6 per cent of total lending implying that they must get at least Rs.1.49 lakh crore. But they got Rs.87,603 crore or only 26.12 per cent of what they are entitled as per their population or 58.3 per cent of what they are entitled as per RBI Norms and 15 Point Program for Muslims¹².

Even relative to other minority communities, Muslims lag far behind. Total credit given to all minorities in 2012-13 was Rs.1, 83,072.45 crore. Of this, Muslims with a population share of 73% of minorities could get Rs.87, 603 crore or just 47.98 per cent of the total lending for minorities. In contrast, Sikhs, who make up 10.13 per cent of the minority population, got 25.99 per cent of the credit with a total of Rs.47, 577 crore and Christians, who constitute 12.71 per cent of the minority population, have received 23.35 per cent of the total credit¹³.

An Analysis of the report of State Level Bankers Committee (SLBC) of Andhra Pradesh for the year ending March 2014 shows that while targets are being surpassed in ensuring financial inclusion of marginalized communities like the Weaker Sections (Target 10%: Achieved: 15.85%) and women (Target 5%, Achieved: (11.22%)), the loans sanctioned to the Minorities stood at just 7.06 per cent when the target is 15 per cent of the Priority Sector. This is seen to be a constant trend for many years¹⁴. *Sachar* Committee also reports that Indian Muslims receive just 0.48% of amount financed by SIDBI

Table 2: Community-wise lending by Public Sector Banks to Minority Communities

Community	A/c	% share of total (in No. of accounts)	Amount (Rs. in crore)	% share of total (in amount)
Muslims	5958046	55.75	83780.25	45.23
Christian	2753886	25.77	45469.65	24.55
Sikhs	1402489	13.12	41433.86	22.37
Buddhists	561533	5.25	12260.68	6.62
Zoroastrian	11381	0.11	2289.91	1.24
Total	10687335	100	185234.4	100

Source: GoI (2014), Implementation of Prime Minister's New 15 Point Programme, Forty-Sixth Report Standing Committee on Social Justice and Empowerment (2013-2014), (Fifteenth Lok Sabha), Ministry Of Minority Affairs, Lok Sabha Secretariat, New Delhi, March 2014.

¹² Critical Study of Financial Inclusion in G 20 Countries with Focus on India by Dr. Mazher Hussain, Published by VANI and HBF India- 2014

¹³ Ibid

¹⁴ Ibid

Hence there is an urgent need to make allocations of at least 200 crores every year for the next five years in the Union Budget to undertake massive and sustained campaigns for financial literacy among Muslim community; orientation of bankers at all levels; special provisions for expediting loan processing and dispersal; and establishment of mechanism to monitor and ensure total implementation.

4. Skill development, retraining and entrepreneurship development among Minorities with provision for creation and functioning of an e-Commerce Platform

"This apparently huge outlay was for opening **schools** and that sort of thing, not for creating **jobs** which is the need of the hour. Education and health are not the chief considerations when you are jobless and going without food on the table."

" Bali Sud, an economics professor at St. Xavier University in Mumbai

Though 54% Muslims are self employed¹⁵ (the highest figure for any community in India engaged in Self Employment) they have very little access to capital from banks and other formal financial institutions (as seen above) and are compelled to engage in petty businesses and coupled with exorbitant rates of interests charged by private money lenders, the community is not able to come out of poverty.

The community is also the worst affected from globalization and mechanization as most of its traditional occupations like tailoring, watch repairing, vehicles repair, tire rethreading etc. are being taken over by multinational and mechanized establishments rendering large sections of Muslims (engaged in these businesses for generations) jobless and in penury. Hence there is an urgent need for retraining of all such people affected by globalization and mechanization to enable them to become eligible for some alternate employment.

Under PM's 15 Point Programme special effort is made to make the employment or skill training available to persons of minority communities through schemes like Swarn Jayanti Shahari Rozgar Yojana (SJSRY), *Swarn Jayanti Gram Swarozgar Yojana* (SGSY) and Urban Self Employment Programme (USEP). The last Scheme has two components: (i) assistance to individual urban poor beneficiaries for setting up gainful self-employment ventures (Loan and Subsidy), and (ii) technology/marketing/infrastructure/knowledge and other support provided to the urban poor in setting up their enterprises as well as marketing their products (Technology, Marketing and Other Support).

The available data show that the targets sets under these schemes for minority communities have been very small and the achievements have also not been very significant. For SJSRY at all-India level the financial target has never exceeded Rs.50 crore during 2006-07 to 2012-13. Even these small amounts have not been fully utilised in any of the financial years¹⁶. However, it is important to see that in most of the financial years the physical targets achieved are more than 100% implying heavy demand and large availability of candidates willing to avail these schemes.

Micro-Entrepreneurs: The Requirements

There seem to be just three simple requirements that could enable success for all micro-entrepreneurs. First is the orientation of existing and prospective entrepreneurs to basic

¹⁵ <http://www.firstpost.com/india/muslims-dont-get-jobs-due-to-bias-in-the-system-experts-1047351.html>

¹⁶ Excerpts from *Kundu* Committee Report

principles of simple business management through appropriate courses. Enabling their access to bank loans to start or scale up business and finally establish joint mechanisms using internet and modern technology to facilitate in marketing and delivery of their products through e-Commerce Platforms to a larger, and possibly, global clientele at very low costs.

A minimum allocation of Rs. 500 crores every year in the Union Budget starting from 2015-16 for the next five years will be required to ensure proper employment and economic development of the Muslim community through skill development, retraining, promotion of quality entrepreneurship and creation and functioning of an e-Commerce Platform. All other minority communities like *Sikhs, Jains, Parsis* and *Christians* who are also largely engaged in business will also benefit for this scheme.

5. Carryover of unspent funds to next year as additional allocation

The performance of the MoMA in terms of fund utilisation is unsatisfactory. Poor utilisation of funds has remained a major concern till the end of the financial year 2011-12. The average utilisation of funds accounted for 78 per cent of the total outlay for MMA in the 11th Plan period. Actual utilization of the budget estimate by the Ministry was as less as 60.41 per cent for the year 2012-13 and was at its lowest at only 39.33 per cent in 2007-08.

From the analysis, it is evident that still there are gaps in resource allocation, fund utilisation and program implementation specific to the development of Muslims contributing to their continued poverty and deprivation. Hence, statutory provisions should be introduced for carryover of all unspent funds to the following year provisions for strict accountability and action against the officials responsible.

Documents Referred:

All available data on the web site of MoMA; **Sachar Committee Report**; Excerpts from Post Sachar Evaluation Report by **Kundu Committee**; Policy Asks from Union Budget 2015-16 on Muslims and *Centre for Budget and Governance Accountability (CBGA)*, Union Budget 2013-14 Unfulfilled Promises for Muslims: India by Jawed CBGA; Budget Shock, Muslims and What Next by Abdul Rashid Agwan; Critical Study of Financial Inclusion in G 20 Countries with Focus on India by Dr. Mazher Hussain, Published by **VANI** and **HBF India**- 2014

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