

A Study on Budgetary Allocation of the Union Government and the State Government of Meghalaya for Protection of Climate Change

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Introduction:

The Corporate houses compete for maximum utilization of resources at their control. The competition among corporation in industrial field makes terrible threat to environmental degradation and climatic change. There ought to have adequate measure for protecting environment and preventing climatic change. As, the Government is entrepreneur, planner, and controller for all round development, therefore how public resources are allocated for preventing climatic change is to be interpreted. In this article the budgetary allocation of the Union Government and Government of Meghalaya for climate change has been discussed.

Methodology:

The study is mainly based on secondary source of data. The researcher has collected information from the Appropriation Accounts and Finance Accounts and Annual Financial Statements the Government of India and the Government of Meghalaya. The investigation covers the period 2005-06 to 2008-09.

Limitation of the Study:

To examine the public resource allocation for climatic change only two activities of Government of Meghalaya (viz Soil & Water Conservation and Forestry & Wild Life) and three activities of Government of India (viz Soil & Water Conservation, Forestry & Wild life and Plantation) have been chosen.

Budgetary Grant for Soil & Water Conservation

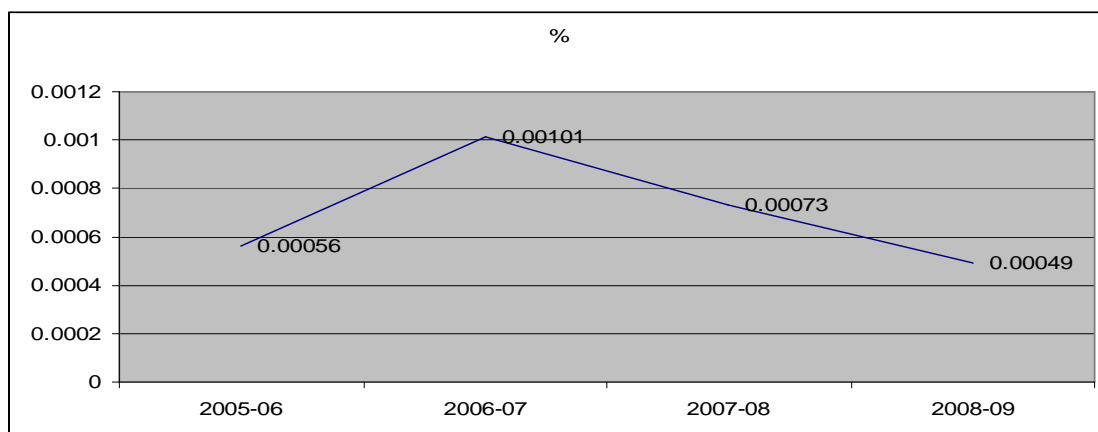
The budgetary grant shows the government preference in allocating public resources in different activities. It has been observed that the budgetary allocation of Union Government and Government of Meghalaya for Soil & Water Conservation has not been enhanced progressively. The percentage of the budgetary allocation for Soil & Water Conservation out of the total Budgetary Grant of Union Government was 0.00056%. It became 0.00101% in 2006-07. It was reduced to 0.00049% in 2008-09. The Graph-1 as shown below exhibits the downward trend of the P.C of Budgetary Grant for Soil & Water Conservation.

Table-1
Budgetary Allocation for Soil and Water Conservation.

Years	Total Budgetary Grant	Budgetary Grant for Soil & Water Conservation	P.C of Budgetary Grant for Soil & Water Conservation on total Budgetary Grant
2005-06	1717120.02	9.7	0.00056
2006-07	1752017.59	17.68	0.00101
2007-08	2391461.75	17.45	0.00073
2008-09	2625417.67	12.81	0.00049

Sources: Annual Financial Statements of Union Government

Graph-1
P.C of Budgetary Grant for Soil & Water Conservation on total Budgetary Grant of Union Government



Sources: Annual Financial Statements of Union Government

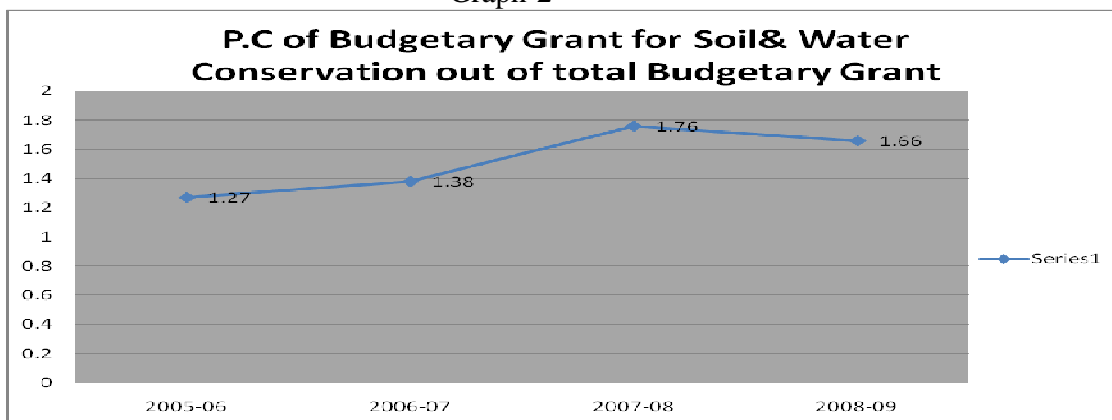
In case of the budgetary allocation of the Government of Meghalaya for Soil and Water Conservation, it has been observed that the percentage of the budgetary allocation out of total budgeted grant was 1.27% in 2005-06. It became 1.38% in 2006-07, after that it

Table-2
Budgetary Grant of Government of Meghalaya for Soil & Water Conservation

Years	Total Budgetary Grant	Budgetary Grant for Soil & Water Conservation	P.C of Budgetary Grant for Soil & Water Conservation out of total Budgetary Grant
2005-06	2351.01	29.93	1.27
2006-07	2681.61	37.10	1.38
2007-08	3309.94	58.26	1.76
2008-09	3791.79	63.09	1.66

Source: The Annual Financial Statements of the Government of Meghalaya increased to 1.76% in 2007-08 but reduced to 1.66% in 2008-09. The table-2 and Graph-2 indicate the downward trend of the budgetary allocation of Government of Meghalaya for Soil and water conservation.

Graph-2



Source: The Annual Financial Statements of the Government of Meghalaya

Budgetary Grant for Forestry and Wild Life:

The budgetary grant of the Government of India for Forestry and Wild Life was not significantly changed in 2005-06 to 2008-09. The table-3 exhibits that it was 0.02% in 2005-06. It increased to 0.03% of total budgetary Grant in 2006-07. In 2007-08 and 2008-09, again it reduced to 0.02%.

Table-3
Budgetary Allocation of Union Government for Forestry & Wild Life

Years	Total Budgetary Grant	Budgetary Grant for Forestry & Wild Life	Percentage of Budgetary Grant for Forestry & Wild Life on total budgetary Grant
2005-06	1717120.02	420.68	0.02
2006-07	1752017.59	466.36	0.03
2007-08	2391461.75	488.84	0.02
2008-09	2625417.67	547.82	0.02

Sources: Annual Financial Statements of Union Government

In case of Government of Meghalaya, the percentage budgetary grant for Forestry & Wild Life out of total budgetary grant was 2.12% in 2005-06. It increased to 2.39% in 2006-07. In 2007-08 and in 2008-09 it reduced to 2.07% and 1.86% respectively. The down ward trend of the budgetary grant as stated in table-4 shows that the Forestry and Wild Life is not given due preference in allocating public resource.

Table-4
Budgetary Grant of Government of Meghalaya for Forestry & wild Life

Year	Total Budgetary Grant	Budgetary Grant for Forestry & Wild Life	Percentage of Budgetary Grant for Forestry & Wild Life on total budgetary grant
2005-06	2351.01	49.92	2.12
2006-07	2681.61	64.07	2.39
2007-08	3309.94	68.36	2.07
2008-09	3791.79	70.45	1.86

Source: The Annual Financial Statement of the Government of Meghalaya

Budgetary Grant for Plantation

As like as Soil and Water Conservation and Forestry and Wild Life, the percentage of budgetary allocation for Plantation out of total budgetary allocation shows the downward trend. As exhibited in table-5, it was 0.02% in 2005-06 and in 2006-07. It reduced to 0.01% in 2007-08 and in 2008-09. The Government of Meghalaya has no separate activity for Plantation in Appropriation Accounts.

Table-5
Budgetary Allocation of Union Government for Plantation

Years	Total Budgetary Allocation	Budgetary Allocation for Plantation	Percentage of Budgetary Allocation for Plantation on total Budgetary Allocation
2005-06	1717120.02	386.69	0.02
2006-07	1752017.59	346.05	0.02
2007-08	2391461.75	316.26	0.01
2008-09	2625417.67	357.01	0.01

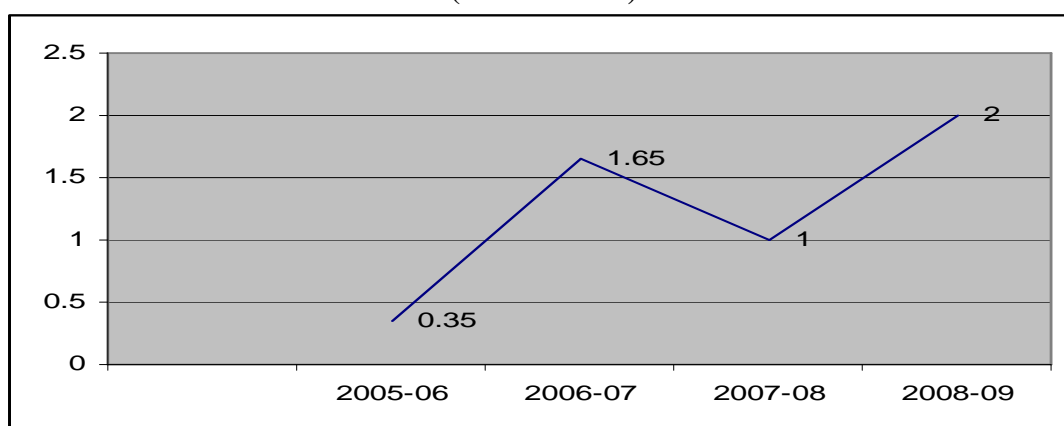
Sources: Annual Financial Statements of Union Government

The aforesaid observations do not indicate the preference of both the State and Union Government in distributing public resource for the activities preventing climate change.

Budgetary Grant under Capital Head of Account

The Government Expenditures are divided into two group i.e Revenue Expenditures and Capital Expenditures. The Revenue Expenditures are for maintaining fixed facilities and services and Capital Expenditures are incurred mainly for creation of assets and facilities. The proper implementation of the Government policy needs both the Revenue Expenditures and Capital Expenditures. The budgetary allocations of Union Government in Capital Head of Accounts for the activity-‘ Soil and Water Conservation’ exhibited upward trend in2005-06 to 2008-09.It was Rs.0.35 crores in 2005-06 in 2005-06 and it increased to Rs.2 crores in 2008-09.But, the budgetary allocations of Union Government

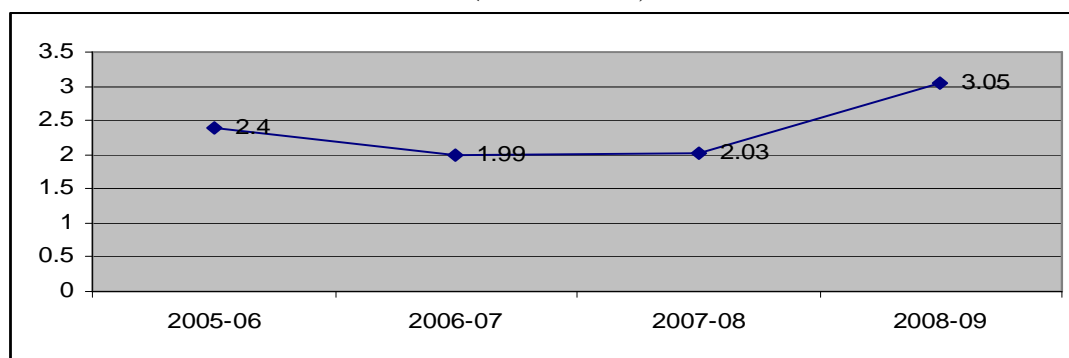
Graph-3
Budgeted Capital Expenditures of Union Government for Soil & Water Conservation
(Rs.in Crores)



Sources: Annual Financial Statements of Union Government

in Capital Head of Accounts for the activity-‘Forestry and Wild Life’ was not increased progressively. As shown in Graph-4, it was Rs.2.4 crores in 2005-06. The budgetary allocations of Forestry and Wild Life in 2006-07 and 2007-08 were Rs.1.99 crores and Rs.2.03 crores, which were lesser than the amount of 2005-06. In 2008-09, it became Rs.3.05 crores.

Graph-4
Budgeted Capital Expenditures of Union Government for Forestry and Wild Life
(Rs.in crores)



Sources: Annual Financial Statements of Union Government

In case of Plantation, the Government of India had no budgetary allocation in 2005-06 to 2007-08 under the capital head of accounts. The union Government allocates Rs. 15 crores as budgeted capital expenditures for Plantation only in 2008-09.

In case of Government of Meghalaya, no amount had been estimated as Capital Expenditures for Soil & Water Conservation. For forestry and wild life the capital expenditure was 49.92% in 2005-06 and it was increased to 64.07%, 68.36% and 70.45% in 2006-07, 2007-08 and 2008-09 respectively.

The aforesaid observations indicate that capital expenditures had not been given due weightage for enhancing the basic facilities in the activities for preventing climate change regarding soil & water conservation by the both State and Union Government.

Utilisation of the Budgetary Grants:

The Union Government spent more than budgeted grant in 2005-06 and in 2008-09 for soil and water conservation. It has been shown in table-6 that the actual expenditure was Rs. 14.14 crores whereas budgeted grant was Rs.9.7 crores in 2005-06.

Table-6
Utilisation of the Budgetary Grant of Union Government for Soil and Water Conservation
(Rs.in crores)

Years	Budgetary Grant	Utilised amount	Unutilised amount
2005-06	9.7	14.14	-4.44
2006-07	17.68	14.25	3.43
2007-08	17.45	11.32	6.13
2008-09	12.81	15.06	-2.25

*(-) indicates excess utilisation

Sources: Annual Financial Statements of Union Government

Similarly, the utilized amount was Rs.15.06 crores against the budgeted grant Rs.12.81 crores in 2008-09. The unutilized amount for Soil & Water Conservation was Rs.3.43 Crores and 6.13 crores in 2006-07 and in 2007-08 (i.e 19.40% and 35.13% of the budgetary Grant.). In 2007-08 the utilization of the budgetary was significantly in adequate.

The union Government also spent more than budgetary allocation for the activities-‘Forestry and Wild Life’ in 2005-06 to 2008-09. The table-7 shows that in every year the actual expenditures of ‘Forestry and Wild Life’ were more than the budgetary allocation.

In case of Plantation, as exhibited in table-8, the Government of India spent more than budgetary allocation in 2005-06, 2007-08 and in 2008-09. The actual expenditure was less than budgeted expenditures only in 2006-07.

Table-7
Utilisation of Budgetary Grant for Forestry and Wild Life

Years	Budgetary Allocation	Utilisation	Unutilisation
2005-06	420.68	432.14	-11.46
2006-07	466.36	499.55	-33.19
2007-08	488.84	605.13	-116.29
2008-09	547.82	611.08	-63.26

*(-) indicates excess utilisation

Sources: Annual Financial Statements of Union Government

Table-8
Utilisation of the Budgetary Allocation for Plantation

Years	Budgetary Allocation	Actual Utilization	Unutilised amount
2005-06	386.69	430.08	-43.39
2006-07	346.05	340.03	6.02
2007-08	316.26	320.7	-4.44
2008-09	357.01	441.67	-84.66

*(-) indicates excess utilisation

Sources: Annual Financial Statements of Union Government

Though the Union Government spent more than the budgeted estimates of the aforesaid activities in majority years of the period - 2005-06 to 2008-09 as shown in table-6, table-7 and in table-8, the utilization of the State Government budgetary grant in Meghalaya is completely reverse one. The unutilized amount of the budgetary grant of the Government of Meghalaya was more than 9% in 2005-06, 8% in 2006-07, 30% in 2007-08 and reduced to 21% in 2008-09.

Similarly, it has been observed in table-10 that the unutilized amount of Forestry and Wild Life was 10% in 2005-06, in 2006-07 it was increased to 42% and in 2007-08 it was reduced to 4% but again in 2008-09 it was increased to 12%.

Without adequate implementation of the budgetary plan in the state level the activities will not ensure the achieving of the goal for prevention of the climatic change.

Tble-9
Utilisation of Budgetary Grant of the Government of Meghalaya for Soil & Water Conservation

Year	Budgetary allocation	Actual Utilisation	Unutilised amount
2005-06	29.93 (100%)	27.33 (91%)	(9%)
2006-07	37.10 (100%)	34.00 (92%)	(8%)
2007-08	58.26 (100%)	40.99 (70%)	(30%)
2008-09	63.09 (100%)	49.80 (79%)	(21%)

Source: The Annual Financial Statements of the Government of Meghalaya

Table-10
Utilisation of the Budgetary Grant of the Government of Meghalaya for Forestry & Wild Life

Year	Budgetary allocation	Utilised amount	Unutilised amount
2005-06	49.92 (100%)	45.02 (90%)	(10%)
2006-07	64.07 (100%)	37.12 (58%)	(42%)
2007-08	68.36 (100%)	65.44 (96%)	(4%)
2008-09	70.45 (100%)	62.34 (88%)	(12%)

Source: The Annual Financial Statements of the Government of Meghalaya

Conclusion:

The budgetary allocations of the Union and the State Government need to be enhanced for the activities related to prevention of climate change. The Government should pay attention for creation of assets and expansion of fixed facilities for the function related to climate change. At the state level proper and adequate utilization of fund are to be ensured.

Source: The Appropriation Accounts of Union Government and Govt. of Meghalaya.

The Finance Accounts of Union Government and Govt. of Meghalaya.

The Annual Financial Statement of Union Government and Govt. of Meghalaya.