Social Policy 003

Improving child-focused spending in local bodies in Andhra Pradesh

Constraints and Opportunities

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May 2007

KNOWLEDGE COMMUNITY ON CHILDREN IN INDIA

Young Lives
An International Study of Childhood Poverty

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This publication is an output from the Young Lives project, an international study of childhood poverty, also known as Niños del Milenio, led by the University of Oxford. The views expressed are not necessarily those of the Young Lives project or the University of Oxford.

The Young Lives project is funded by the UK Department for International Development (DFID) for the benefit of developing countries. The views expressed here are not necessarily those of DFID.

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Acknowledgements

This research was funded by UNICEF India and the Department for International Development, UK. We are grateful for the helpful comments by Nicola Jones and Rachel Marcus, as well as the support of a team of research assistants at the Centre for Economic and Social Studies, Hyderabad, led by Rachna Dhingra and including Malleswara Rao Nanda, Sanhita Sucharita, M.Chandayya, Niranjan Mohapatra, Arun Kumar Mallik, Ramesh Chandra Sethi and Sanjukta Mallick. All views and errors are those of the authors alone.

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Introduction

Budget analysis and monitoring can help to ensure that government funding priorities are consistent with the policy objectives declared by governments and also that the financial resources allocated to priority areas are spent appropriately (Robinson, 2006). In particular, analysis of public spending on child-focused policies, programmes and services has emerged as a mechanism for holding governments to account with regard to how they use resources to advance the realisation of children's rights to survival, development, protection and participation (Save the Children Sweden, 2005). To verify that child-focused resources are being allocated fully and properly, the analysis needs to look at different stages of the budgetary process, from planning to implementation, assessing whether the resources spent are reaching children as end users.

The government of India is committed to achieving ambitious targets regarding the improvement of children's poverty status, including the relevant Millennium Development Goals and, specifically, the universalisation of basic education. In order to achieve these objectives, and given the widespread decentralisation from the Union to states, state governments also have had to embrace these goals and undertake to implement policies and programmes – whether designed and funded by the central government or independently by the state – that are conducive to their achievement. Monitoring budget allocations and spending is a way of verifying the extent to which this commitment is being translated into action.

This research was carried out in the state of Andhra Pradesh (AP), India. Like other Indian states, AP has agreed to devolve functions and responsibilities to local bodies. However, analysis of this process suggests that the decentralisation has been only partial, with most policies still being set by the state rather than by local governments (Mooij, 2005). The objective of this paper is to assess whether the government of AP is giving sufficient priority to investment in children at the state and the sub-state levels, through both rural and urban local bodies, to ensure improved outcomes for children. The research therefore sets out to examine the mechanisms in place within this decentralised structure to enable greater and better-quality spending on children, with a particular focus on rural bodies or *panchayat raj* institutions (PRIs). PRIs make up the three-tiered elected structure of rural governance which, as a result of the 73rd Constitutional Amendment in 1994, is meant to provide new avenues of political participation by including representatives from different sections of society (backward castes, Scheduled Castes [SCs], Scheduled Tribes [STs] and women) in decision-making bodies at the local level (Suri, 2002).

The initial premise of the present study was that the decentralised planning process in PRIs, particularly with the inclusion of women as elected representatives, might encourage greater prioritisation of children's needs in planning and budgeting decisions at the local level. However, as we shall see, our research found that this was seldom the case. Even though our focus is more on rural local bodies, we also draw findings from two urban bodies, in order to build a more comprehensive picture of the visibility of children in budgets and spending.

In trying to understand how budget outlays can lead to positive outcomes for child well-being, it is essential to understand the mediating factors that constrain or facilitate service delivery. Therefore, in assessing resource flows to local bodies, we will briefly look at the role and commitment of various government officers and elected representatives within the PRI structure in relation to decisions about spending on child-focused services and improving the implementation of schemes. This will help us assess the potential for improving spending on children at the local level in response to locally identified needs.

This paper is structured as follows. In Section 2 we examine the theoretical background underpinning our field research. Firstly, we look at the rationale for undertaking local-level budget analysis; secondly, we briefly examine some of the realities of decentralisation in AP; and thirdly, we look at the possible spaces available at the local level to ensure that children's needs receive adequate attention in budgets. Section 3 describes the research methodology used, while Section 4 explores our key findings in the light of the theoretical background. The last section draws out the conclusions and some policy recommendations that could help to raise the priority level accorded to investment in children at the sub-state level in AP with the aim of achieving better outcomes for children, particularly for the poorest.

Theoretical background

There are two lines of analysis informing this theoretical framework. The first relates to the analysis of public budgets from a child-sensitive perspective, which we refer to as **child-focused budget analysis**. The second focuses on the decentralisation process in AP and aims to determine the extent to which the current structure enables higher and/or better spending on programmes and services that can lead to improved child well-being.

Child-focused budget analysis

Child rights budget work has emerged as a way for civil society and other stakeholders to hold governments accountable in their use of resources to deliver benefits to children and make progress towards the realisation of children's rights (Streak, 2002) Many of the initiatives carrying out child-focused budget work have looked at national budgets, highlighting the general trends in social sector spending on children at the national level, with the aim of identifying changes in resource allocations and spending over time. They then use this information to engage with policy-makers in order to reverse any decline in expenditure. In Peru, for example, the '*Los Niños Primero?*' ('Are children first?') child-budget monitoring initiative (Vazquez, 2002; Vazquez, 2004) showed that, despite the country being in a phase of positive economic growth, fewer resources were being spent on child-focused policies during the period 2001–03. The information generated by this initiative has been published and shared with various stakeholders, raising the profile of children in budgetary debates. In India, the HAQ Centre has worked actively at the Union level, analysing annual budgets to advocate for improvement in resource allocation to education, health, child protection and child development (HAQ, 2006). Other initiatives have been more narrowly focused, looking at the link between budgeting and spending at the grassroots level. For example, Save the Children Sweden developed a monitoring toolkit to assess municipal spending on social services for children in Peru that includes criteria for developing indicators based on the structure of municipal programming and spending in that country. This toolkit was targeted at local government officials and grassroots non-governmental organistions (NGOs) (Save the Children Sweden, 2003. In Rajasthan, as a result of a series of workshops led by the Budget Analysis Rajasthan Centre designed to provide budget information to citizens, a group of children and youth living in a tribal hostel demanded that the tribal commission ensure that children in hostels received the goods and services stipulated in the government budget, which they had not been receiving. This resulted in hostel wardens being instructed to give the allocated money to youth-run hostel committees, which are now responsible for making sure that resources are spent appropriately (Nadhi Pundhir, 2004).

Initiatives concerned with local-level budgets recognise the relevance of assessing social policy implementation at the point of delivery, particularly in the context of decentralisation. Ablo and Reinikka (1998) carried out a study in Uganda with the aim of showing that actual service delivery is much worse than budgetary allocations would imply because public funds do not reach the intended facilities, and hence outcomes cannot improve. They carried out a field study in primary schools and health clinics to measure the actual public spending

that reached the intended service delivery points to asses the effectiveness of the public sector to spend resources according to plan. Their findings confirmed that not all budgeted resources reached their targets. However, in some cases, outcomes were not severely affected, because local authorities and communities would find mechanisms to compensate for this shortfall central funding, such as local schools charging parents for school fees. Two key points arise from this example: first, poor families have to shoulder the financial burden by drawing on household resources in order to access a service that ought to be provided free of charge; second, communities/local authorities can intervene to compensate for shortfalls in allocations from the centre.

There is a trend for governments throughout the world to become increasingly decentralised – fiscally, administratively and politically – mostly because basic services that ought to be the responsibility of the state are not reaching their target populations, particularly the poor (World Bank, 2003; Ahmad *et al*., 2005). Some studies suggest that one of the reasons why government spending does not translate into better outcomes is that centralised control means that money often does not reach front-line providers at the local level (Ahmad *et al*., 2005). The rationale behind decentralisation is that service delivery will improve if more decision-making functions are given to local authorities. But the experience of decentralisation to date has been mixed. The problems most frequently encountered are: lack of capacity at sub-national levels of government to take responsibility for public service provision; the disjuncture between political decentralisation and administrative decentralisation, with central governments still having almost total control of policy formulation and programme funding, and local governments having very limited scope for decision-making; and the question of local elites taking charge of initiatives, which limits the potential for pro-poor outcomes (World Bank, 2003; Ahmad *et al*., 2005). Therefore, child-rights budget work focusing on the local level is of crucial importance.

In 1997, the first widely disseminated report on child-budget analysis, the South African study 'First Call', described the governmental fiscal system between different levels of government, in which social spending is largely the responsibility of local governments (Robinson and Biersteker, 1997). This publication was the basis for the creation of the Child Budget Unit in the Institute for Democracy of South Africa (IDASA). The Unit has subsequently been at the forefront of promoting child rights budget work in South Africa, where it has achieved important improvements in child-focused social spending, and has shared best practices and provided support for others carrying out this work in other parts of the world. On the basis of IDASA's original work, some other projects aimed at analysing child-focused budgets have taken a more active role, getting involved with municipal authorities to promote initiatives for children. For example, the '*Programa Prefeito Amigo da Criança*' ('Child-friendly Mayor Programme') in Brazil has developed a mechanism for disseminating best practices and providing incentives, including the funding of child-focused policies, to encourage city mayors to look at the cities they govern from the child's point of view (Abrinq Foundation, 2001). This project has generated real interest among Brazilian municipalities, leading to mayors becoming more actively involved, and resulting in improved diagnosis, planning and spending on child-focused policies, and greater civic participation. Another recent example of child budget work is the report *The Right to Education of Working Children*, which provides an overview of the municipal budget process, role-players, expenditure components and revenue trends in El Salvador (Save the Children Sweden, 2005). These are only some examples of civil society and NGO work on child budgets becoming increasingly

engaged with local fiscal and political systems. They illustrate the importance of looking more closely at sub-national allocations and the channelling of resources to child-focused programmes, given that many of the funding bottlenecks and the disparities between children's needs (measured in terms of child populations, specific requirements, levels of well-being) and budgetary allocations occur at this sub-national level.

An overview of decentralisation in Andhra Pradesh

More than an outcome in itself, decentralisation is a process, aimed at improving the delivery of programmes and services at the grassroots level. However, views on the outcomes of decentralisation to date have been mixed. Support for decentralisation is often based on criticism of centralised planning on account of the inefficiencies of large bureaucracies, which "lack the 'time and place knowledge' to implement policies and programmes that reflect people's 'real' needs and preferences". (Johnson *et al*., 2005: 941). Other proponents argue that decentralising power from the centre to districts or villages enables people to participate in decision-making more directly and, potentially, can lead to relations between governments and citizens that allow a greater degree of accountability (Crook and Manor, 1998). On the other hand, those who are more critical of decentralisation suggest that unless it is truly democratic, with structures in place that allow for real accountability, the process may simply transfer power from one set of elites to another (UNDP, 2002; Çagatay *et al*., 2000).

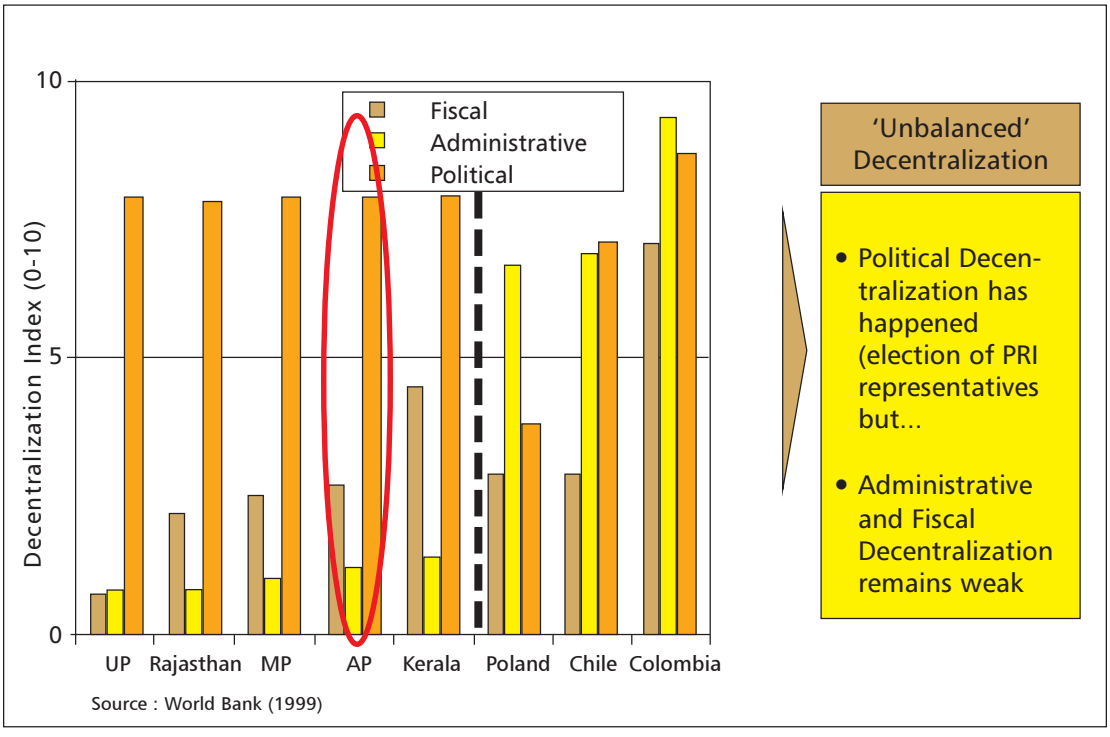
It could be argued that the reason why decentralisation does not always lead to desired outcomes is the insufficient political commitment to reform on the part of national governments (or state governments in the case of India). This means that reforms are merely superficial, and control over decision-making and use of funds remains centralised (Jones *et al*., 2007a). Thus, decentralisation must be accompanied by citizenship-building, information-sharing, transparency over decision-making and use of funds, and capacity-building for local functionaries, so as to increase the level of accountability and improve local governance (Bardhan, 2002).

Of key importance to a working decentralised system is that all the tiers of government have clearly allocated **functions** so that citizens know who is responsible for what; allocated **funds** should be commensurate with these functions so that governments can properly carry out their tasks; and **functionaries** need to be accountable to the body responsible for the service so that there is a continuous line of accountability from citizen to government to provider (World Bank, 2006).

Studies of decentralisation in AP have shown that the process so far has not included such characteristics as would enable the system to work effectively (World Bank, 2000 cited in Mooij, 2005). Although there has been significant progress in political decentralisation, administrative and fiscal decentralisation remain weak. Pritchett and Pande's (2006) analysis of different types of decentralisation in Indian states shows that while states do well in an international index of political decentralisation, they lag behind in fiscal and administrative decentralisation. This is shown in Table 1. In practice, this means that while the implementation of many functions has been devolved to PRIs, there has not been the corresponding devolution of funds and decision-making powers to functionaries necessary for a real impact on service delivery. The reality in AP is that decisions regarding the provision

of services delivery and the corresponding funding are still by and large made by the non-elected administrative apparatus, which continues to be highly centralised at the state level; local-level government officials are only in charge of implementing decisions handed down from the centre (Mooij, 2003:17).

Figure 1[1] : Unbalanced Decentralization in India in an International Context



Funds

When looking at the budget and decision-making processes at the sub-state level, local revenue and expenditure must be understood in the light of significant *panchayat* dependence on transfers from the state and centre. Resources flowing to the three levels of local government – *zilla parishad* (district), *mandal parishad* (middle) and *gram parishad* (village) – are mainly in the form of tied grants, corresponding to schemes essentially developed at the state or at the centre, and for which funding is earmarked. But for transfers to be effective, local governments should have the capacity to decide and regulate the use of the majority of their expenditure. In principle, this would enable local governments to make decisions about allocations and spending to suit local needs and priorities. This increase in non-earmarked funds should not, however, prevent conditional grants from upper tiers of government continuing to support expenditure in areas of national priority (for example, the Sarva Siksha Abhiyan (SSA) programme for universalisation of primary education), although ideally such grants should be only a small part of local government resources.

The **general fund** budget or untied resources for the three tiers of local government derive from two sources: transfers from the state and local revenues. Transfers from the centre have generally been low, sparking demands to the Finance Commission to revise these transfers, with little result (Reddy and Sreedevi, 2004). This reluctance to increase the level of transfers to local governments is partially attributed to the poor revenue-raising efforts

[1] Table 1 was taken from Pritchet and Pande (2006), p. 19.

of local bodies in AP, which in practice result in their being under-funded. In recent years, partly because of fiscal constraints at the state level, centrally sponsored schemes (CSSs) have come to dominate planned expenditure even in what are traditionally state services such as education, health, and water and sanitation (in 2002/03, 58 per cent of the planned spending on for elementary education came from the centre). CSSs are also an important source of funding for items that fall within the domain of PRIs (World Bank, 2006:67)

In addition, analysis suggests that tax collection remains low because of both design and implementation issues. Although *gram panchayats* (GPs) have the power to levy taxes on some items, the lack of rules prescribing the maximum and minimum tax rates means there are no incentives for GPs to raise taxes and risk losing voters' support (Sarumathy, nd), and thus they prefer to lobby for increased transfers. Additionally, low income levels in villages result in low tax revenue collection, so GPs' income is meagre (Reddy and Sreedevi, 2004). This same situation is generated at the *mandal parishad* (MP) and *zilla parishad* (ZP) levels, with the additional constraint that the number of items for which the MPs and ZPs can levy taxes is limited.

In practice, therefore, internal revenue mobilisation at the *panchayat* level is weak, and *panchayats* are largely dependent on transfers from the state and central government and have limited discretion regarding expenditure. So, despite the 73rd Amendment's recommendation to state governments to endow PRIs with taxation powers and enhance their resources through increased transfers of discretionary funds, state governments seem reluctant to devolve finances, which results in their continued domination of local spending in key areas such as health, education and irrigation (World Bank, 2006).

Under the 73rd Constitutional Amendment, PRIs are mandated to take responsibility for the provision of some child-related services such as schooling, health and social welfare for SC/ST children. However, in practice, service delivery and implementation of schemes developed to provide these services remain largely under state control, with funds flowing through the corresponding line departments. This structure does not provide clear lines of accountability and, as we will explore in Section 4, it leads to sizeable gaps in terms of budgetary support for satisfactory implementation of child-focused services at the grassroots level.

Functions

Devolution of functions to AP's *panchayats* is still only partial (as is the case, in fact, in most other Indian states) (Johnson *et al*., 2005). A total of 29 expenditure categories have been devolved to PRIs. However, in practice, public expenditures are budgeted and managed by local bodies at the level of activity or sub-activity (ie, scheme or budget item), with the state keeping control of key activities; this renders the devolution to PRIs toothless. For example, states like AP have assigned responsibility for basic education to local governments, but have left key activities and sub-activities necessary for delivering basic education, such as building schools or hiring teachers, to the state line agency, so that in practice there is little local-level control (World Bank, 2006). This signifies that higher tiers of government continue to have effective responsibility for most services.

Thus, despite the fact that elected bodies are supposed to have ample functional capacities, evidence suggests that the cause of the partial failure of *panchayats* in AP as truly

decentralised decision-making structures lies in the limited devolution of functions; ie, non-elected administrative government structures have maintained real control of the main functions (and corresponding funds), thus undermining the role of the elected bodies (Johnson *et al*., 2005).

Panchayats are, however, responsible for carrying out some functions with their own revenues. Decisions on the activities to be undertaken with these funds are made by district, *mandal* and village councils, and are generally related to development of infrastructure, road-building and water provision. But most other schemes, such as the National Employment Guarantee Scheme, are carried out with state grants. In the case of social sector schemes, the key players are the corresponding state line departments. Therefore, despite political decentralisation, in functional terms, elected bodies have their hands tied with regard to their ability to make adjustments to social sector service delivery so that it responds to local needs. In other words, it is difficult for them to address specific issues such as poor teacher attendance, poor quality of midday meals or supplementary nutrition provided at the Integrated Child Development Services (ICDS) centres, higher-than-average infant mortality, problems of child trafficking, or the inadequate infrastructure of, and irregular food supply to, ICDS centres.

In a state with wide disparities among districts and within districts, it is important that there should be the capacity to address these locally specific needs. *Panchayats* are structurally in place to address these needs, but lack the ability to do so. With their current levels of funding and capacity, it is hard to imagine they could actually carry out the functions assigned to them for the purpose of improving child well-being. However, as we will see later, evidence from the field shows that state provision of these services is not proving to be efficient either, with lack of co-ordination and duplication of functions across departments leading to inefficient use of resources and less-than-acceptable services for children.

Functionaries

For *panchayats* to have the capacity to carry out their assigned functions, they would have to hire staff to be in charge of running programmes and activities. However, throughout India, *panchayats* have limited powers to hire staff, so they depend on state governments to depute functionaries from line departments (World Bank, 2006). This practice renders PRIs weak in the sense that they have no powers to exercise control over these functionaries in the administrative structure, and nor are the functionaries accountable to the *panchayats*. Deputed staff members are accountable only to the state government, which retains the power to hire, fire and remunerate them. This again means that PRIs have little or no effective control over the people expected to carry out duties on their behalf.

In terms of the administrative structure and real decision-making power at the local level, the key functionary is the district collector. He/she is part of the administrative structure, deputed by the Department of Finance. By having real control over the funds, he/she holds more authority than the district-level chief executive officer (CEO), who heads the PRI structure. In fact, even within the administrative structure, *mandal*- and village-level government officers who are entrusted with implementing schemes mandated by their corresponding state line agencies have no responsibility or scope for adjusting programmes to address locally specific needs. Neither do these officers see themselves as adequate

channels for transmitting these needs to higher-level authorities that could shape policies and programmes; thus they are not accountable to citizens.

In summary, despite PRI officials being elected, they do not serve as autonomous authorities responsible to voters – they are at most tasked with the implementation of activities, plans and schemes designed at higher levels of government (centre and state). This means that although they have delegated functions, these are closely linked to funds and functionaries controlled by higher tiers of government. This weak alignment between funds, functions and functionaries has not yet created conditions for accountable governance (World Bank, 2006). In this context, we now turn to how this partial decentralisation affects decision-making with regard to planning and budgeting for child-sensitive service delivery in AP.

Budgeting for children at the local level

There are multiple competing developmental needs at the community level, and in particular those related to poverty reduction, all requiring local funds. Interviews carried out in the field suggest that the majority of public policy demands made by villagers are related to employment generation, microfinance, provision of water – either for irrigation or for drinking – and road development. It is clear that these are essential services for improving the livelihoods and living conditions of citizens, and that responsibility for them is central to PRIs' functions, so it follows that *panchayats* allocate the majority of their general fund resources for these purposes. However, it must be noted that the delivery of such programmes is also a way for *panchayat* members to gain popular support in the form of votes.

There are some overlaps between general investments in community development and child well-being outcomes. The most notable example of this is investment in water and sanitation facilities; there is evidence to suggest that high infant mortality rates are strongly associated with lack of safe water and unhygienic environments for children (Gordon *et al.*, 2003). However, other developmental needs compete for resources with child-focused programmes, and the latter receive much lower priority. As long as *panchayats* lack a mechanism to assess these multiple needs and prioritise investment of local funds accordingly, decisions on which programmes to carry out will continue to be based on which attract the most votes. Evidence from our research shows that discussions in local councils (village, *mandal* and district) make no reference to children's issues and many respondents, including people's representatives and citizens themselves, stated very clearly that children's developmental issues were not a priority for communities, since children do not vote:

> *Who cares about children? Children do not vote. They are note 'vote banks'.* (*Mandal* revenue officer, Amrabad *mandal*, Mahboobnagar district)

As a consequence, local bodies traditionally have invested very little in child-focused schemes. In recognition of this problem, in 2001 the government of AP issued Government Order 38, mandating district and *mandal panchayats* to allocate 15 per cent of their general funds (own revenues) to the promotion of woman and child welfare. These resources have the potential to fill sizeable gaps in government funding for child-focused programmes and activities at the local level but, as we will discuss in Section 4, these funds have rarely been used to improve child welfare. Given that in practice the delivery of child-related services is the state government's responsibility, local bodies are not willing to be held accountable

for their effectiveness, so these earmarked funds end up being channelled into women's welfare projects, which are much more attractive to voters. In this sense, there is some evidence that empowering women and promoting women's welfare can improve household well-being, lead to better child well-being outcomes and community involvement in poverty alleviation initiatives (Kabeer, 2003). Nevertheless, as argued by Jones *et al.* (2007b), if there is no explicit policy design to ensure that these improvements to women's status are transferred to children, this will not necessarily take place. Moreover, government officials at the local level have little or no scope for making decisions regarding programmes that could result in better, more needs-responsive social service provision for children, and thus do not see themselves as accountable to users either.

This lack of priority given to child development at the local level is of particular concern, given the poor performance against child development indicators in AP. According to AP's State Action Plan for Children (forthcoming), only about 46 per cent of children below 12 years of age are fully immunised; data from the National Family Health Survey (2005/06) shows that over one-third of all children in AP are stunted (34 per cent) and underweight (37 per cent), while the 2001 census registered that only 66 per cent of girls and 71 per cent of boys complete primary education, with the proportion increasing in classes 6 and 7. These figures highlight the urgent need to pay greater attention to child development, starting from the grassroots, even when the actions taken to improve these outcomes are not initially the most attractive to voters.

As mentioned above, in an attempt to address the problem of women and child poverty issues being marginalised by the *panchayats*' agendas, in 2001 the government of AP issued Government Order 38 earmarking 15 per cent of *mandal parishad* and *zilla parishad* resources to be spent on woman and child welfare needs. The decision on the use of these funds is to be made by standing committees on women and child development in the MPs and ZPs, consisting of members of the relevant *parishad* and chaired by a woman member. In principle, *panchayat* members, as elected representatives, should use these forums to channel their constituency's demands; in the case of this particular standing committee, the members should be responsible for presenting possible ways in which the earmarked funds could be used to improve woman and child welfare. In practice, however, this mechanism is not being used effectively.

The GO sets out the items for which these funds can be used, with a number of them relating to infrastructure development and other projects aimed at improving some existing services. The items on this list are fairly evenly divided between those aimed specifically at women and those aimed specifically at children.However, our evidence shows that in practice most of these funds are being used for women's activities and schemes.

Another important fact is that this provision is applicable only in the case of rural bodies, and there is no equivalent provision for urban bodies. Therefore, urban bodies have an additional funding constraint when attempting to tackle children's welfare needs, despite the fact that, according to our evidence, poor urban areas are generally faring worse with regard to provision of services for children.

Research methods

The research findings in this paper are part of a broader longitudinal policy research study, 'Young Lives', funded by the UK's Department for International Development (DFID), which looks at childhood poverty in four developing countries from 2001 to 2015. In particular, this study is based on in-depth qualitative research carried out in a sub-sample of Young Lives project sites during two rounds of field research in 2006, with the support of UNICEF India.

In the case of Young Lives India, the 'site' as unit of study is defined as a *mandal* in the case of rural areas and as a *municipality* in the case of urban areas. Hyderabad, as the state capital was considered as a site of its own. Given that each site is comprised of over 20 communities – villages in mandals, wards in municipalities and slums in the case of Hyderabad - the Young Lives sample included two to six communities in each of its sites.[2]

The research presented in this paper was carried out in four sites:

Rural

- Amrabad mandal, Mahboobnagar district, Telangana region (south)
- Vajrakarur mandal, Anantapur district, Rayalaseema region

Urban

- Eluru municipality, West Godavari district, Coastal Andhra (south)
- Hyderabad Municipal Corporation

Each of these sites corresponds to one of the three main agro-climatic regions of Andhra Pradesh, except the fourth, which is Hyderabad.

The analytical focus of this study is the budget and decision-making processes in rural localities where *Panchyat Raj* institutions are in place in order to assess: (1) whether these elected bodies have an impact on local spending on child-focused programs and services; (2) if in fact elected officials are bringing decision-making spaces closer to the people; and (3) whether citizens are using elected representatives to encourage policy attention to child development and wellbeing at the local level. Thus, most of the analysis in the paper is based on information gathered in the two rural sites. These were chosen to be in poor districts – they stand 20 and 21 out of 22 in terms of poverty ranking[3] - with the purpose of looking at how budget allocations for children were carried out by local governments with limited resources, addressing the needs of some of the poorest communities.

The urban sites were chosen to understand the differences in budgeting and implementation processes in urban government structures, as well as obtaining some insights on the policy

[2] For more details on the sampling methods for YL India, please see http://younglives.qeh.ox.ac.uk/countries/india/folder.2006-01-24.1901922959

[3] According to 'Development of Andhra Pradesh: 1956 – 2001, a study of regional disparities', NRR Research c entre

and service delivery priorities for children in an urban context. Thus, in addition to Hyderabad Municipal Corporation, to provide further differentiation, a municipality in a non-poor district was selected

Tables 1 and 2 present some key characteristics of the sites, except for the case of the three Hyderabad slums where comparable information is not available. Given the small proportion of the population living in these slums in relation to the city, general characteristics for Hyderabad tell us little about the characteristics of these slums.

The methodology for this study is based on qualitative data collection. In the course of this study, a team of local research assistants conducted the following interviews: a total of 9 focus group discussions with community members, one in each of four rural villages; two in Eluru urban and one in each of the three slums in Hyderabad in addition to 33 semi-structured stakeholder interviews. These in-depth semi-structured interviews with key informants were carried out at the district, mandal and village level, including government officials (administrative) and members of panchayat institutions and councils (political), as follows:

RURAL	***Government***	***Panchayat Raj***
District / Zilla Parishad	District Education Officer, District Medical and Health Officer, Project Director Women and Child development, Assistant Project Coordinator SSA	Zilla Parishad Chairman, Chief Executive officer, Chairpersons of Standing Committees
Mandal	Mandal Education Officer, Mandal Revenue Officer, Mandal Development Officer, Child Development Project Officer	
Village	Village Secretary	Sarpanch
URBAN **Eluru**	***Government***	***Urban Council***
District	District Education Officer, District Medical and Health Officer, Project Director Women and Child development, Assistant Project Coordinator SSA	Zilla Parishad Chief Executive Officer, Municipal Commissioner, Chairperson of Standing Committee
Municipality	Project Officer Women and Children, Health Officer	Deputy Municipal mayor, Standing committee members, Municipal Corporator, Councillors
Ward		Ward Members
Hyderabad	***Government***	***Urban Council***
Municipal Corporation	Project Officer,Slum Development Officer	Hyderabad Mayor, Chairman of Standing Committee, Standing committee members, Neighbourhood committee members

The objective of the key informant interviews was to obtain insights on (1) the degree of autonomy for policy and budget decision making at the local level and the possibility to implement programs and spending, particularly for children, in a more locally responsive manner; (2) the level of authorities' awareness of child policies and programs implemented locally; (3) the priority granted to spending on improving child welfare outcomes as compared to other development priorities; (4) possible problems in the flow of resources and implementation of key child focused programs; and (5) identifying possible spaces at the different levels of local government to promote more and better spending on children.
The focus group discussions with community members had the purpose of assessing the importance given to investment on child development at this level and to find out the extent to which citizens feel they can have access to policy makers and hold them to account.

Although the qualitative methodology does not permit us to make statistical comparisons of change over time, we believe that such an in-depth approach is important in trying to understand power dynamics at the local level.

Site characteristics[4]

Table 1: Rural Sites

District	Mahboobnagar		Anantapur	
Region	Telangana		Rayalaseema	
District Rural Poverty Ranking	21[5]		20	
Mandal	Amrabad		Vajrakarur	
Village	Amrabad	Ippalapally	Gullapalem	Vajrakarur
Population	12830	1293	2433	7482
Caste composition	SC majority	ST majority	SC majority	SC majority
Child population (0-6)	1768	235	257	925
Literacy rate	55%	75%	50%	49%
Caste of Sarapanch	ST	ST	NA	NA

Table 2: Urban Sites

District	West Godavari		
Region	Coastal Andhra		
District Rural Poverty Ranking	5		
Municipality	Eluru		
Ward numbers / slums	19th ward	9th ward	29th ward
Population	550	2898	5225
Caste composition	SC majority	SC majority	SC majority
Child population (0-6)	44	354	466
Literacy rate	81%	65%	82%

[4] Source: census of India 2001, Andhra Pradesh

[5] Poverty ranking taken from Development of Andhra Pradesh: 1956 – 2001, a study of regional disparities, NRR Research centre

Key findings

As discussed in Section 2, the drive towards decentralisation is bringing governments closer to people, creating structures that are more accountable to society and particularly to marginalised groups. These structures need to be enhanced by democratic participation, enabling greater accountability (Johnson *et al.*, 2005). However, if the basic components of such decentralisation are not in place because of responsibilities being only partially devolved, this minimises the outcomes in terms of community involvement in decision-making processes.

One of the central aims of this research was to verify the extent to which decentralisation in AP has generated real spaces for making decisions about needs-responsive budgets and programme planning at the local level, and in particular, to ascertain whether these spaces were being used to improve the delivery of child-focused programmes and services. We found that this was not the case. There are obviously many competing demands for local funds, so local bodies face difficult decisions on how to *best* use these resources. However , as we found in the field, 'best' is not necessarily an objective criterion – it is mediated through complex political processes, particularly the need to gain voters' support, so that decisions about the allocation of resources are made accordingly.

Children's invisibility on the local policy agenda

Perhaps the most important – and disillusioning – of our findings in the field was that children are marginalised in policy and programming debates at the local level. In AP, there seems to be no desire to make further investment in children beyond what is channelled from the state. Although for the purpose of this study we did not make a comparison between AP and other states with regard to children's policy visibility, we have evidence of children receiving greater priority elsewhere. For example, Karnataka state has had an action plan for children since 1994, and the most recent plan, covering the period 2003–2010, includes monitoring and evaluation mechanisms to ensure that policies on the ground are in line with the plan's objectives.

In the case of AP, according to several of our interviews, one of the main reasons for this invisibility of children is that political leaders are interested in popular programmes that will give them political support and, as children are not seen as 'vote banks', they show very limited interest in child-related issues.

> *There are general body meetings at the* mandal *level once in three months. The MLA* [member of Legislative Assembly]*, MRO* [*mandal* revenue officer]*, MDO* [*mandal* development officer] *and other* mandal *officers and we all attend. We represent our needs but nobody bothers, nobody cares for small children.* (*Sarapanch* [*gram panchayat* head], Ippalappalle village, Mahboobnagar district)

> *From last two years none of the member of general body ever discussed about the issues of woman and children. Nobody in the ZP, neither legislative member nor the*

parliament member ever discuss about their problems. But mainly if our children get educated and our woman health progress, then we can have a good district, good mandal *and good village. These people should look for it.* (Chairman *zilla parishad*, Mahboobnagar district)

There was some evidence in villages of citizens discussing issues related to child labour and school drop-outs during their *gram sabha* (village meeting) but when enquiring further, we found no evidence of *sarapanches*, who head the *gram panchayat*, taking these discussions forward at the *mandal* level to seek solutions.

Another important finding was that the gender of the *panchayat* member does not seem to have a bearing on the priority granted to child-focused programming at the local level. Contrary to the evidence that women in politics have been especially effective advocates for children at all levels UNICEF, 2006:50), in the case of our research sites in AP we found that female elected representatives, from *sarapanches* to members of standing committees at the *zilla parishad* level, did not prioritiese spending on child-focused programmes and services. Part of their support goes to income-generating schemes for women but, as argued by Jones *et al*. (2007b), without deliberate planning, benefits do not automatically trickle down to improve child well-being. There are three possible reasons why this is the case in AP. First, as we have contended earlier, there is little awareness among local policy-makers of the relevance of spending on children to promote their development and fulfil their rights. Second, local policy dynamics show that female politicians tend to have less clout than their male counterparts, which suggests that proposals made by the latter will receive more support from the top. Third, we found evidence, particularly in the case of *sarapanches*, that women are only in post to fulfil the mandated quota, while the real decision-makers are their husbands. This suggests that the real transformative power of women in local politics, including for improving child well-being, is currently being undermined.

Thus, one of the ways in which issues concerning children could be mainstreamed into local decision-making processes is for women in the community to give greater priority to child-focused social services, and include these among their demands to locally elected leaders. There is evidence of women being one of the key electoral targets, so their endorsement of child welfare issues could have a positive impact on service delivery. However, evidence from our research suggests that currently, women's concerns are mainly geared towards accessing income-generation programmes:

Many of the women request us to provide work for them instead of requesting us about their child-related schemes and programmes. So it is necessary to develop awareness among the women for understanding their needs and their children requirements also. When they request us, we can expend our budget in time. (*Mandal* development officer, Vajarakarur *mandal*)

This prioritisation of income-generating schemes over child development services is related to the poverty level of the women interviewed, who seek alternatives to improve their livelihood options. However, there is evidence of households having to allocate a proportion of their limited resources to pay for school fees and other related expenditures, and in some cases for health services; this means that ensuring the provision of free, good-quality services for children would reduce this pressure on household income. For example, Dev *et*

al. (2006) found evidence that high indebtedness incurred by poor households to pay for school-related expenses was one of the contributing factors to farmers' suicides that took place in AP in 2003 and 2004.

Therefore, it is important to make children visible on public policy agendas by generating awareness of the need for investing in children to maximise child well-being outcomes, because of the potential positive impact of improved child development on family and community welfare.

State–district–*mandal* dynamics

Our research on child-focused budgets and spending at the district and *mandal* levels confirmed that decisions are still centralised in the state – further evidence of the disjuncture between political and administrative decentralisation in AP that has been identified in the literature. The process for integrating budget and programme demands from the bottom up is quite standardised, with each department at the *mandal* level passing on their annual plans and requirements to the district level, where they get consolidated and transmitted to the state. However, our interviews and discussions with *mandal* and district officials showed that this process was very mechanical, with lower tiers of government always demanding a 10 per cent increase on their previous annual budget, rather than asking for additional funding for identified needs.

Despite the very limited decision-making power of government officials at the district, *mandal* and village level, it was clear from our interviews that the key figure for planning and budget decision-making is the district collector, who holds the ultimate authority to transfer state funds to *mandals* and villages, and across sectors, in response to a specific demands. However, despite our persistence during the two rounds of field work, district collectors in the four districts visited were unwilling to give the research team the time to talk about spending on child policy, perhaps failing to see the importance of this issue. We therefore have no direct evidence of how they integrate child-focused programmes into their planning process.

The main criterion for allocating budgets from state line department to districts is population. Other variables, such as the level of poverty, literacy rate, infant mortality rate, population density, rural–urban divide, etc, play a marginal role. This underlines the need to address inequities between and within districts through better-targeted schemes from the state. Given that, as discussed earlier, decentralisation in AP is only partial, state-sponsored schemes should be designed so as to address local disparities. Information obtained from our field work showed that it is only in cases of emergency, such as drought or epidemic outbreaks, that district budgets are provided with additional resources and more flexibility regarding programmes, for tackling these specific problems. However, with one exception, we found little evidence of increased channelling of funds to address specific child welfare issues such as higher-than-average drop-out rates or high levels of infant mortality. The exception we found, showing needs-responsive budget allocations to districts, was in Mahboobnagar, where the *mandal* education officer (MEO) mentioned that the previous year the district had received a larger budget for building and running residential 'bridge schools' – which are schools which provide incentives to child labourers to go back to school by offering room and board, in addition to allowing children to be in grade that does not correspond

to their age - as a result of the rise in child labour in the district. But he was unable to explain what the process had been to obtain those additional resources.

Another important problem we found evidence of was the weak linkage across departments and sectors at the state level – those linkages we did find were only vertical, relating to the transfer of funds from state line departments to implementation point at the village or *mandal* levels. This lack of horizontal linkages suggests that there is little synergy that would enable problems to be addressed holistically, and child poverty reduction to be approached as a multidimensional phenomenon (Barrientos and DeJong, 2004). When we questioned government officials in charge of implementing certain sectoral schemes, they were unaware of child-focused programmes in other sectors that could be implemented in a more co-ordinated manner to improve outcomes and lead to a more efficient use of funds. An example of this fragmented approach is the Midday Meal Scheme, one of the most successful child-focused programmes in terms of outreach and impact on increasing school attendance and decreasing dropouts. It consists of providing a meal to every child attending elementary school. The *mandal* revenue officer (MRO) is responsible for implementation of the Midday Meal Scheme, in accordance with to instructions from the district collector's office, and not in co-ordination with district or *mandal* education authorities. The amount of food support provided is calculated exactly for the number of children registered in school, but with no account taken of children who have dropped out, who are not attending, or of children who are attending school without being officially enrolled as a result, for example, of not having a birth registration. In Mahboobnagar, for example, there was a case where the community chose to share the food with some ST children who were not officially enrolled in school and thus were not receiving a ration. This meant that all the children in the school had a smaller ration, but the MRO had no flexibility to buy additional food for these extra children.

In the case of ICDS centres, which are the direct responsibility of the Directorate of Women Development and Child Welfare (DWDCW), the aim is to provide more holistic child development services, through a combination of nutritional support, health check-ups, immunisation, early childhood stimulation, and providing mothers/carers with information on improved child-rearing practices. In general, users of ICDS centres interviewed had a very positive opinion of the services provided in these centres. The project director (district) and project officer (*mandal*) for woman and child welfare are the authorities responsible for these services. However, once children reach the age of seven, they can no longer attend ICDS centres and are no longer within the purview of the DWDCW, except for some programmes targeted at specific groups of children, such as the girl-child protection scheme.

From the age of seven onwards, the range of departments involved in providing specific services to groups of children is quite broad and includes, in addition to the DWDCW, the Department of School Education, the Department of Health and Family Welfare, the Department of Social Welfare and the Department of Labour. According to key government officials interviewed at the state level, there is little or no co-ordination at state level of the activities and schemes carried out by all these departments, resulting in duplication of functions and gaps in the delivery of services. One such case relates to education for Scheduled Caste and Scheduled Tribe children. While the Education Department is responsible for enrolment and retention, it is the Social Welfare Department that is responsible for providing incentives, such as scholarships and residential facilities, for these children. These

two elements are clearly related and without effective co-ordination between both departments, there is generally an inefficient use of resources. In addition to the lack of co-ordination, there are no government officials at the grassroots level tasked with implementing the range of existing schemes, and this generally results in poor delivery of services. For example, there is no government official in charge of implementing child protection programmes at the local level and project directors/officers responsible for woman and child development matters tend to be overwhelmed with running ICDS centres and have little clout to ensure that other more powerful local government officials push for the implementation of important child protection schemes and regulations, such as the prohibition of child marriage.

Articulating civic demands

Interestingly there are clear contrasts in the perceptions of where the potential for influencing decision-making lies. Most government officers interviewed, from the district down to the village, saw themselves only as implementers of decisions already made at the state or centre. These government officers identified people's representatives (members of PRIs, MLAs, and MPs) as potentially having more power to influence policy and programming at the state and district levels and, in that sense, to be more responsive to people's needs.

In contrast, most citizens interviewed, at both *mandal* and village levels, saw people's representatives as distant, never there to listen to demands, except during political campaigns. They could identify government officers in charge of specific areas who were more knowledgeable about government programmes and more accessible, if they wanted to express concerns about service delivery.

> *Even after meeting a political leader it is the government officials who finally do the needful. Sometimes the leaders ask for a commission and we may not be able to afford to give that.* (Village woman, Anantapur)

This shows disarticulation in the decentralised system in AP, with no clear line of accountability: those who are seen as close and more responsive to citizens in reality have no decision-making power to make significant changes to programmes and schemes, while elected representatives, who have an opportunity to influence decision-makers, are not visible to citizens. This finding is consistent with the criticism of decentralisation that points out that the process in itself, without proper accountability mechanisms and real devolution of powers, is unlikely to bring power closer to the people (Johnson *et al*., 2005).

In villages, for instance, although the *sarpanch* could have the potential to oversee the satisfactory implementation of child-related services, we found that this was not at all one of their priorities. For example, in Gullapalem village, Vajrarkarur *mandal*, Ananthapur district, the (female) *sarpanch* mentioned that woman and child programmes were running well and that no village meetings had ever been organised by her to discuss related issues; she saw these issues as the sole responsibility of the DWDCW project officer, so the *panchayat* offered no co-operation in the running of these initiatives in the village.

With regard to children, this information is important as it relates to the potential to influence different stakeholders to improve budgeting and service delivery for children. Elected

representatives need to be sensitised about the need for improving policies, budget allocations and programme design for children, so that they can influence-state level functionaries. However, it remains crucial to work with local government officials to improve service delivery for children at the grassroots, since they are still responsible for carrying out government programmes.

Local spaces to influence budgeting and programming for children

As we identified in Section 2, the main space for pursuing programme and service delivery changes for children in districts, *mandals* and villages is the 15 per cent of ZP and MP budgetary funds earmarked for woman and child welfare activities. Given that *zilla* and *mandal parishad's*' own revenues are not very high, because of their limited revenue capacities, this 15 per cent does not amount to much, but it could still be an important complement to specific state-funded programmes and used to address funding gaps identified locally.

However, findings from our research highlight two important shortcomings to this mechanism:

1) While the ZP officials interviewed in the three districts where we carried out our research were aware of this 15 per cent earmarked fund for woman and child welfare, not one MP officer in the Amrabad *mandal* and Vajrakarus *mandals* that were visited mentioned the existence of such provision at *mandal* level. This means that at least in these *mandals*, woman and child welfare activities are being deprived of funds that could be used to address children's most pressing needs. It is likely that this is happening in many other *mandals* in the state, possibly owing to MP members' lack of awareness of the GO, but also because citizens have insufficient information to demand that this provision be put in place. This phenomenon is an example of the invisibility of children in local policy-makers' agendas.

2) At the district level, where the use of these earmarked funds is discussed in the corresponding ZP standing committees, our findings showed that most of these resources were spent solely on women-focused activities such as skills training, support for women's thrift groups and improvement of women's centres:

   We take 15 per cent earmark fund budget for woman and child welfare. In that 15 per cent we do not use that budget for the children, basically using children is different. But we do use it for the group and women and where we can help them individually as well as group. (*Zilla parishad* official, Mahboobnagar district)

Clearly, funding activities that can contribute to improving women's livelihood options is a priority area for AP's government (Dev *et al*., 2006), to the extent that there are numerous schemes supporting the development of women's self-help groups and microfinance schemes. But since there are already government and donor funds supporting these initiatives, decisions regarding the allocation of this 15 per cent fund should be taken solely on the basis of community need and not in any way as a means of gaining political support – one of the possible reasons why these resources get diverted to women's and not children's welfare. There are obviously some areas of overlap between these two concepts, in which

funds might be spent on, for example, improving pre- and post-natal care, providing public childcare facilities, particularly for children over 7 years old for whom ICDS services are not available, improved access to institutional deliveries for women in remote communities; however, the funds do not seem to be used to complement funding of these services. There is some uncertainty as to the exact use of the funds because there is no budget data at ZP level with a breakdown showing how this earmarked money has been spent, but interviews with officials participating in ZP meetings confirmed that the use of these resources was not geared towards child-focused activities.

Needs identified by villagers

Citizens interviewed in our research sites in general did not identify the improvement of child-focused services, or the provision of programmes not currently available to address children's needs, as priorities for government intervention. This shows that there is little or no awareness of the need for public action to ensure the fulfilment of children's rights and, on a more practical level, no understanding of the importance of investing in child welfare and development, as a way of enabling families and communities to break out of the poverty trap, as defined, for example, by Birdshall (2003).

This is an important realisation since it means that there is little support at grassroots level to push the government to improve public action for, and investment in, children. Therefore, to ensure that policy influencing/advocacy efforts by NGOs and civil society organisations at the state and sub-state levels aimed at promoting higher spending on children's programmes and services are supported by citizens' demands to elected representatives and government officials, it is necessary to work with communities to raise awareness of the importance of investing in children, for the sake of children, their families and the community.

The only case in which we found the community to be discussing a child well-being issue was in Vajakarur *mandal* where, during the *gram sabha*, some community members raised their concerns about the high drop-out rate among both girls and boys. The *sarpanch* then channelled the request for additional funds for hostels and bridge schools nearer to children's places of residence to the district collector able to make a decision on the request. At the time of interview, however, there was still no information about anything being done to address the issue.

An important issue raised by a woman during a focus group discussion in Gulapalem was that people are unaware of the various schemes for children that are supposed to be available and therefore are unlikely to demand them, with the exception of ICDS and the midday meal programmes, which are very popular. This is especially problematic, given the numerous targeted schemes that are led by different departments at the state level without having responsible government officers at the grassroots level in charge of their implementation. In this regard there is also a problem of lack of information about the necessary procedures for getting access to some services or how to complain about problems of service delivery. Thus, simplifying procedures at grassroots level would be a way of improving citizens' access to the services they are entitled to.

When asking community members about their perceptions of the services for children, there was general satisfaction with the services provided by *anganwadi* workers, who are the

women responsible for providing services at the ICDS centres. However, there was a common complaint in villages about the inadequate infrastructure of these centres, which in some cases was so bad that it posed a hazard to children's well-being. In the cases of Anantapur and Eluru, this problem had been communicated to village authorities on numerous occasions with no response.

> *Though the* anganwadi *school takes care of preschool children, there are problems with the infrastructure. There isn't a permanent school building for the purpose. It leaves children running from one place to another.* (Village woman, Vajrakarur)

We also came across several complaints about the quality of food provided at ICDS centres and midday meal programmes. Furthermore, the poor quality of school meals was mentioned as a cause of poor parents making great efforts to send their children to private schools.

There is also concern about supplementary school costs, including uniforms, exercise books and other school materials, which represent a heavy financial burden for poor families; some community members interviewed mentioned that they would like to receive a government subsidy to cover these costs and so be able to continue sending children to school.

One major area being overlooked at the village level is child protection. Structurally it lies within the DWDCW; but there are no structures at village level to address these issues and so the project officer does not see ensuring that child protection measures are implemented as part of his/her mandate. The same applies to other parts of the government that could exercise that role, such as the judiciary system.

Despite the fact that interviewees, when asked directly about child-focused services, identified these areas as needing improvement, they did not categorise them as priorities for which the community was mobilising support. The main demands expressed by citizens were related to community infrastructure development and the provision of income-generating alternatives. In particular, employment generation, support for women's self-help groups, and water provision/sanitation were seen as the key priorities at the village and *mandal* levels, and most general resources are targeted at these.

As mentioned earlier, investment in sanitation is an important means of improving child well-being, as it reduces the incidence of diseases that often result in high child and infant mortality rates. Therefore, attention should be paid to this when looking at child-sensitive investment at the grassroots level, even when these resources are not child-specific.

Reliance on self-help groups

Despite the fact that women's self-help groups (SHGs) in villages are not official structures responsible for delivering services for children, our research found that in many villages, in practice, they have taken on this role.

According to the rules governing some SHGs, members are required to ensure that their children attend school and in some cases these groups organise capacity-building sessions where women can learn to improve their child-rearing practices, particularly with regard to health, sanitation and nutrition. However, there is quite a big step between promoting

these services among group members and providing these services to other families in the community. The government has found it convenient to use these existing structures to extend delivery of services as a complement to (or rather as a substitute for) the weak official structures that are in theory responsible for service delivery. One major problem, however, is that the government makes use of these groups without granting them any additional funding or incentives for providing the services.

This is an interesting phenomenon, given that there has been no explicit delegation of functions from the DWDCW to these groups to undertake these services. The latter include, in practice: the preparation and distribution of midday meals to school children, monitoring enforcement of child protection regulations (such as those concerning child marriage, child trafficking and child labour) in villages and disseminating information on childcare practices to non-member mothers. This delegation of functions can have positive and economically efficient results, given the vast reach of these groups in AP, but proper lines of accountability are required in order to ensure that SHGs are providing adequate services to the community. If this can be achieved, then SHGs can offer useful support to project officers, and to woman and child welfare and *anganwadi* workers who are already overloaded with work, by contributing to the improved delivery of services for children at the grassroots.

Nevertheless, this informal delegation of functions has an impact on service delivery on both the demand and the supply sides. On the supply side, SHGs are providing important services without receiving corresponding compensation, so their resources are being stretched, which could lead to inappropriate or inadequate service provision. On the demand side, it is harder to establish solid lines of accountability if services are being provided on a voluntary basis; moreover, there is no guarantee that the SHGs that have assumed these important responsibilities will be able or willing to continue carrying them out in the medium to long term, potentially compromising the sustainability of adequate service delivery for children.

SHGs as an alternative to child-focused service provision can be relatively more cost-effective, given the presence of SHGs in virtually every village in AP. However, in order for public providers to be able to rely more on these social structures, it is important to recognise that SHGs are heterogeneous: they are funded through a variety of mechanisms, and some have a wide range of mandates or specific political affiliations. Enlisting their services would therefore require clear guidelines defining their role in service delivery, to encourage a homogeneous standard of service. This could be achieved by reaching agreements with SHG federations at the village or *mandal* levels, which could be responsible for ensuring a satisfactory service standard. But, as argued by Jones *et al*. (2007b), government officials and donors need to make sure that SHGs' effective involvement in these new roles is matched by provision of related capacity-building initiatives and by adequate funding. Otherwise, progress in women's empowerment may be undermined by the under-delivery of these new activities and/or over-burdening women's time to the detriment of their own and their families' well-being. Appropriate compensation for the services rendered would both contribute to the sustainability of these services and help to hold SHGs accountable for the support they are providing.

SHGs involved in this manner could also be tasked with monitoring resources allocated to child-focused services at the grassroots. Given SHGs' lack of familiarity with budgetary

processes and spaces to advocate for the improvement of child-related services, NGOs and donors could contribute to building their capacity for this purpose.

Rural–urban gaps

Although the focus of our study was the process for budgeting and spending on children in rural local bodies (*panchayats*), we also carried out in-depth research in two urban localities to assess the similarities and differences in the budgeting and planning system for child-focused spending and to see how child-related issues could be mainstreamed in these different contexts. We chose two wards in Hyderabad Municipal Corporation (slum areas) and an urban municipality (Eluru) in West Godavari district.

One of the important differences in terms of resources available to invest in child development is that in urban localities there is no provision for 15 per cent of local revenue to be earmarked for woman and child welfare. Except for the case of Hyderabad Municipal Corporation which has specific fiscal revenue and budgetary processes, there is the potential in urban municipalities pertaining to districts, to use part of the 15 per cent of ZP revenues for child-related investments. However, we found no evidence of these resources flowing to Eluru in West Godavari.

In terms of availability of services for children, although we found that in general there were sufficient ICDS centres and primary schools in rural areas, evidence from the urban sites visited shows that coverage is less good, with some wards having virtually no infrastructure for the delivery of services for children, forcing carers and children to travel long distances if they want to access these services, which takes a toll on their time and exposes them to dangers they would not have had to face if the school or ICDS centre had been close by:

> *… The* anganwadi *centre is not all that good. They just take them at ten and send them back by twelve and it is on the bypass road and we are very scared of the lorries and the cars. To go to school we have to go as far as the twenty-first ward. It is very difficult for us. They never try to understand our problems and they always treat us as inferior and try to push us back.* (Mother, focus group discussion, Ward 19, Eluru Urban)

Given that ICDS centres provide supplementary nutrition to infants and that schools provide the midday meal programme, the marginalisation of children caused by their limited access to these services not only can result in poor educational outcomes but also has consequences for child nutrition and overall wellbeing in impoverished urban areas.

In the urban areas where we carried out our research, we found that there is significant investment in urban infrastructure development, contributing to better social services, but there has not been an equivalent development in child-related services:

> *The situation is more or less ok. After it has become a corporation we have been able to solve our problems and this has been made easier with the help of both government officials as well as political leaders. The street lights and the drains are good and the concerned officials and workers do give swift response when called*

for. The only problem here is that there are no officials who encourage us to get our children into schools and also there are no programmes which will give us subsidised clothes and books for our children. The municipality people come once in a while to administer the pulse polio drops but we don't have a community hall for us to hold meetings and we don't have an anganwadi *centre.* (Male household head, focus group discussion, Ward 19, Eluru Urban)

Although we have seen that the opportunities to access elected representatives at the village level are being under-used, particularly in terms of demanding improved service delivery for children, there is the potential to sensitise citizens so that they are able to demand that political representatives at the grassroots level address these issues. However in urban areas, there are no similar opportunities for direct contact with elected officials given the absence of spaces such as the *gram sabha*. Despite this constraint, we found that non-elected local neighbourhood committees, particularly in the case of Hyderabad, are quite active in approaching government officials in order to promote improvements in their wards. These neighbourhood committees could be useful partners in promoting change for children.

Problems with accessing budgetary data

One of the constraints we faced in collecting information at *mandal* and district level was the difficulty in getting access to budgetary and planning information, which hindered monitoring and analysis of spending on children at the local level.

ZP officials were able to provide us with budget books with information on revenue and spending of ZP own revenues, with data going back three to four years. This information is very useful as it allows us to see how much is allocated to different types of investment in the ZP according the priorities identified by the district council. Of particular importance for this study is that these budget documents show the total amount represented by the 15 per cent woman and child welfare fund. However, the budget information presented is in a quite aggregated format, which means that it is not possible to identify on what activities, programmes, target groups or locations these resources were spent, making it difficult to estimate how much of these funds is being used for investing in children.

We were unable to obtain similar budgetary information in any of the *mandals*. There are various reasons for this. One is that information is not systematised and presented in books as happens at district level, so that the officials found it more difficult to make it available to us. Moreover, there was also some reluctance on the part of public officials to share this information for fear of being compromised by it. This poses important questions in terms of the notion of decentralisation in which local governments are closer and more accountable to their citizens; if this information is not made available when citizens demand to see it, then the monitoring mechanisms are harder to put in place.

It proved even more complicated to get access to information on sectoral spending. We approached district- and *mandal*-level government officials representing departments of education, health, woman development and child welfare, but even after numerous visits and persistent requests, we were unable to obtain any information on sectoral budget allocations and spending. The reasons for this ranged from unwillingness to share the data with the researchers to the relevant office clerk's lack of time to put together this data. The

consequence in any case was that we were unable to gather information on sector spending directly from the *mandals* and districts.

In June 2005 the government of AP approved the Right to Information Act as a way of fostering transparency of government accounts and decision-making processes and outcomes. However, we have found that in practice, either this regulation is not well known or there is insufficient understanding about how it works. In any case, it was of little use when trying to obtain information from local governments. In addition to the Right to Information Act, another mechanism that is being promoted as a means of fostering transparency at the village level is the social audit, which entails the publication in a visible space of information on how local governments are using their resources. So far it has been targeted mainly at spending on the Employment Guarantee Scheme, but there is considerable potential for using this same mechanism to publish information on child-focused spending, such as a breakdown of the use of the 15 per cent of ZP and MP funds.

Therefore, if AP wants to move towards a more accountable decentralised structure, it is essential that the transparency mechanisms that have been developed are enforced and extended, so that civil society organisations and citizens in general can monitor public action and hold the government to account.

Conclusions and policy implications

The current decentralisation framework in Andhra Pradesh provides limited spaces for changing policy and spending on children. Local bodies have little or no scope for decision-making relating to child-related service provision, and virtually all decisions on the delivery of basic services to children in communities, such as education, nutrition, childcare, immunisation and protection of vulnerable children are being made by the state government. Furthermore, we found that investment in children does not seem to be a priority at the grassroots, given that 'children are not vote banks'.

Nevertheless, there is still a need to work closely with state authorities to achieve change. There are some openings for engaging with local elected representatives and government officials to promote the visibility of children and to encourage more objective assessments of the needs that require funding, with a view to ensuring that children, despite not being able to vote, benefit from adequately funded, good-quality services.

In addition to working with authorities, this research has also identified the need to increase awareness among household members and the wider community about two issues: 1) the importance of investing in children to ensure that child well-being outcomes are met and thus that children's rights are respected; 2) how improved child development can have a positive impact on family and community welfare through higher levels of human capital leading to better income-generating opportunities in the medium term. A growing understanding of these issues could lead to more popular support for child-related issues, forcing them on to local policy-makers' agendas.

With this purpose in mind, we examine some possible policy implications of our research findings.

Improve co-ordination of child-focused service delivery from the state

An essential task in efforts to improve local child-focused programme implementation and outcomes is the promotion of more co-ordinated and integrated actions between line departments at the state level, to ensure that these are then transferred in the same manner to the local level. Our research highlighted the fact that decision-making structures in AP have quite disjointed procedures, in which different government departments are responsible for similar programmes for overlapping target groups. One such case is education, where the Department of Education is responsible for primary and secondary schooling, the Department of Women's Development and Child Welfare for early childhood education, the Commissioner of Labour for special education for child labourers, and the Department of Social Welfare for the education of SC and ST children. However, there is little co-ordination among these bodies to generate synergies, ensure compatibilities and use resources more effectively. The lack of co-ordinated actions results in inefficient spending, double counting and wasted resources and efforts.

In this regard, one of the limitations faced by local governments in carrying out the various schemes developed by the state to deal with different aspects of child well-being is that

not all the line departments have representation at grassroots level (village, *mandal* and district). This means that many programmes have no local functionaries responsible for their implementation, which has a negative impact on the actual delivery of the services. The project officer responsible for women's and child welfare, who has little clout among other local government officials, is in charge of numerous activities and but no budgetary flexibility, which limits his or her capacity to take full responsibility for ensuring that all policies and programmes pertaining to women and children are implemented. While local bodies are still unable to put into practice all the functions assigned to them, policy-influencing work with state agencies continues to be crucial to ensuring that actions are taken locally.

A possible way of generating a more accountable process that ensures co-ordinated actions at the state and sub-state levels would be the creation of a child welfare commission at the state level, with the active participation of the secretaries of all relevant departments, led by a high-ranking state secretary, such as the secretary of revenue. This commission would meet regularly and promote an open dialogue between these line agencies, aimed at improving planning, starting at the state level. The secretary of revenue's leadership role could then be transferred to district collectors and *mandal* revenue officers, who would be mandated to ensure implementation of the agreements reached by the commission. This system would foster greater co-ordination and open up the possibility for functionaries with more clout to press local and state officials to improve budgeting, planning and implementation of child-focused programmes.

Target district collectors

District collectors were identified as the central decision-making authorities in districts, and in some cases can have a final say in planning and budgeting decisions coming from the state. Therefore, in order to mainstream child-related issues into local policy-planning processes and to increase child-related spending, district collectors are key advocacy targets. A significant impact could be made on local implementation of child-focused programmes by fostering dialogue between agencies working for children on the one hand and district collectors on the other. It would be important to ensure this dialogue was strengthened by the use of evidence-based information on child well-being outcomes and by useful and feasible proposals to remedy identified shortcomings, including specific gaps in funding. Currently there are no such channels of communication in place, so their creation ought be an essential part of policy-influencing efforts.

Utilise the potential of district planning committees to mainstream child-related issues

In accordance with the provisions of the 73rd Constitutional Amendment, the government of Andhra Pradesh has agreed to the formation of district planning committees. Their aim is to strengthen the decision-making power of districts by having a body in each district responsible for integrating planning priorities set by both urban and rural bodies, making the process more efficient, maximising resources and promoting synergies across *mandals* in the district. In the case of AP, these committees were to be in place by April 2007. They are intended to play an important role in setting the policy agenda in AP during the next fiscal year.

Therefore, district committees have the potential to become an important space where locally identified children's issues, from both urban and rural areas, are presented, discussed and addressed in a more holistic way, given that the committees will be in charge of designing cross-cutting development policy plans. To make use of this potential, it is important that organisations working for children at the state and local level interact with members of district planning committees to raise awareness of child-focused investment needs, and that they develop channels of advocacy through which evidence-based local situational analyses on children, including budget monitoring, can be transmitted to committees as a mechanism for promoting change for children.

Promote an objective assessment of local needs to inform ZPs, MPs and GPs

As we have explained, local bodies in AP have limited funds, which are needed for multiple and competing demands, most of them relating to community development and poverty reduction programmes such as the National Employment Guarantee Scheme, self-help groups, water provision and sanitation. These are all essential programmes for community members in general and potentially can have positive impacts on children as well. However, there are also specific actions and programmes for children that demand direct attention, such as ensuring good-quality universal primary education, which would also benefit the wider community.

Therefore, if the decision-making process within *panchayats* and village committees becomes more objective, it is more likely that priority will be given to investment in children, if this is found to be a more effective use of funds in the short, medium and long term. There are tools already being used by some local governments to ensure that participatory decision-making and budgeting processes do not exclude children. One such case is the toolkit developed jointly by Peru's Ministry of Women and Social Development, UNICEF Peru and local NGOs (MIMDES *et al.*, 2005). This consists of a series of matrices that aid in the extraction of detailed information on all the competing programmes, including outcome indicators, identified problems and priority rating, making it possible to compare programmes and rank them according to their real level of priority which emerges from the analysis. Such an exercise could be promoted and led by local NGOs or civil society groups, and could be attractive to *panchayats* as a way of demonstrating to their electorate a greater degree of commitment to achieving transparency. Ideally, the exercise would result in raising awareness of the need to invest in children and would limit political influence in this decision-making process.

Earmark half the 15 per cent of ZP and MP funds for children only

As indicated by our research findings, *mandal parishadss* do not seem to acknowledge that they are required to allocate 15 per cent of their revenues to woman and child welfare activities, while in the case of *zilla parishads*, these funds are in fact being used mostly to finance activities targeted at women. Although it can be argued that such activities, such as skills training for women, will have a knock-on effect on children, mediated through women's potentially increased earnings, there is no guarantee of such an impact, and children in villages also have important needs that require funding support.

A way to eliminate this tension would be to amend Government Order 38 so that at least half of the 15 per cent (between 7 and 8 per cent) is earmarked exclusively for children. In

addition, it would be useful to promote a more open and transparent mechanism for deciding how these resources are spent, which should include the quarterly publication of the use of these resources. Currently, the only information available in districts concerns the annual total of this 15 per cent fund, with no breakdown of how it was spent.

Other suggested changes to the Government Order include extending to Gram Panchayats (Gps) the requirement for a 15 per cent allocation of own revenues (with 7.5 per cent to be spent exclusively on children's needs) given that they have proportionally more more sources of fiscal revenue than the other tiers of government. Also, the list of activities that can be funded with these resources should be revised, reflecting more closely the locally identified funding gaps. These gaps go beyond the need to build infrastructure and include improvements to existing infrastructure and raising the quality of goods and services provided to children. For example, in Davengari Taluka (block/*mandal* level) in the State of Karnataka, a contingency grant equivalent to 15,000 INR was allocated to 35 village *panchayats* with the support of a UNICEF contribution, with the objective of strengthening children's rights protection committees; this is an example that can be emulated elsewhere if funds are available.

Promote civic support for child-focused investment

Despite the numerous and competing needs that call for *panchayat* funds, including essential poverty reduction and community development projects, citizens should be aware of the importance of financing child-focused services. These services are a means of improving children's life chances and well-being, but are also an investment in the family and the community in general, because more skilled and healthier youth will contribute to income generation and community development, representing a sustainable way of reducing poverty at the grassroots level.

If citizens appreciate the importance of having a comprehensive range of good-quality services for children – from better schools to effective protection mechanisms – they will start to voice their demands and force them on to policy-makers' agendas. For this to happen, dissemination and awareness-raising work at the community level is essential.

Increase spaces for children's participation

Linking to the previous point, a very important way to raise community awareness of children's needs is to create opportunities for children to participate and voice their needs and concerns, as well as their suggestions of how these can be addressed. Schools are likely to be the focal point of such activities, and so teachers will require training from expert organisations on how to elicit children's participation. However, other spaces should be sought as well to avoid excluding the large number of children who do not attend school.

Children tend to be very powerful advocates for their own needs, but they require support in carving out spaces for this participation, particularly in contexts such as that of marginalised Indian communities, where children are not viewed as active citizens. Improved interaction between children, their families, community leaders and policy-makers is likely to result in children having greater visibility in the public space, thus commanding more attention when policies are drawn up.

Ensure funding for self-help groups involved in service delivery

SHGs can be a very useful source of support for improving and extending some basic social services for children, given their outreach and penetration. However, to ensure they are made accountable in exercising this responsibility, and to remunerate them for the services rendered, it is essential to obtain appropriate funding, and to develop clear and explicit collaboration agreements between the government agency in charge (which is most likely to be the DWDCW, although the midday meal is the responsibility of the *mandal* revenue officer) and the SHG federation that supervises the operation of SHGs at village level.

Define clearer lines of accountability

If the aim of devolution is to bring services closer to the people, there must be clear lines of accountability, with responsibility for implementation linked to decision-making and ability to allocate funds. The channels through which citizens can demand accountability from higher levels of government, ie, the state, via elected representatives, should also be made more explicit.

For this purpose, clearer lines of accountability should be developed so that service users are able to articulate, through elected representatives, demands for improved service delivery for children. This will require more transparent access to information about the use of funds for child welfare needs, which are channelled either through government officials or through alternative service providers like SHGs. If in practice elected representatives seem elusive, as our findings tended to show, the government should ensure that public servants are at least able to respond to citizens' needs and channel the concerns to corresponding authorities. Otherwise, citizens are effectively left confronting an 'accountability vacuum'.

Improve record-keeping and transparency of budgetary and programme information

A missing piece of the puzzle in terms of encouraging greater transparency, civic participation and clearer and more objective decision-making processes, is the lack or at best inadequacy of budgetary data and programme information at the district, *mandal* and village levels. According to the Right to Information Act, approved information should be transparent and available to citizens at the grassroots level so that of public resources can be monitored.

An additional constraint is that the scarce data available is not broken down in a way that enables a child-sensitive analysis of budgeting and spending at the sub-state level. To facilitate tracking and analysing of resources going to child-related schemes and to ensure they are being used appropriately, the generation of this type of data is of paramount importance.

Extending the social audit mechanism to social sector programmes, and specifically to child-focused spending, as has been done in the case of the AP Rural Employment Guarantee Scheme, would be one way to promote transparency and to identify funding gaps in child-focused programmes, thus making it possible to demand adequate funding for implementing good-quality services for children.

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About the Young Lives Project

The Young Lives Project (*Niños del Milenio*) is an innovative longitudinal research project investigating changes in childhood poverty. Over a 15 year period, it traces the lives and fortunes of two cohorts of children growing up in poverty in 80 sentinel sites across Peru, Vietnam, Ethiopia, and India to understand the multidimensional causes and effects of childhood poverty and to influence pro-poor and pro- child policies.

The 12,000 'young lives' participating in the study represent two cohorts, the first born in 2000 and the second in 1994. 8,000 children from the 2000 cohort and 4,000 from the 1994 cohort, along with their primary caregivers, are being surveyed every 3-4 years using a common set of questionnaires translated into local languages and separately targeting the children, their caregivers, and key representatives from their respective communities. The survey intervals are being carefully timed to track the younger children at or following critical childhood thresholds, such as the transition to school and from school to work.

Young Lives explores children's experiences and perspectives on time use, wellbeing, poverty and their social worlds. Gender, ethnicity, disability and other social markers are being studied as mediating factors of poverty at different points in their childhoods. Qualitative approaches, including focus groups, participatory workshops, and semi-structured interviews with a sub-sample of children explores in greater depth their own priorities and views of the key issues of the study.

Availability of life course data on the Young Lives cohorts offers a rare resource, spanning infancy through to the early adult years, when significant numbers of study children will themselves become parents. Inclusion of detailed household and livelihoods data for their parents and carers provides a unique insight into factors influencing change in three generations living in poverty – index children, their parents and carers and (eventually) the offspring of the older cohort of children. This will allow for full intergenerational analysis focusing on the reproduction of poverty and the means to prevent its transmission to young lives.

Funded by the UK Department for International Development (DFID) and based on a collaborative partnership between the University of Oxford, Save the Children UK, the Open University and a series of prominent national research and policy institutes in the four study countries, Young Lives' multidisciplinary and longitudinal approach is ideally situated to bridge the gap between research and policy. Ultimately, the project aims to devise a conceptual framework for studying child development and wellbeing in poor country contexts that anthropologists, economists, political scientists, psychologists, and sociologists can all sign up to.