***Transparency in Budgetary Process in India: Rank of Indian States***

***Press Release***

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Great administrative thinker Morstein said, ***“Finance is as universally involved in administration as oxygen is in the atmosphere.”*** It is ironical that despite being a ‘Union of States’, State budgets in India have never received such importance as claimed by Union Budget. Union is more or less subjected to robust debate and public attention every year during its presentation and passage in the parliament. On the other hand, the budgets of Indian states are passed by the state legislatures without significant public discourse or public attention. As a result, most of the state budgets are neither inclusive nor transparent; this is not good for country in general and that State in Particular.

This is the third edition of ‘Transparency in Budgetary Process’ published with the aim of encouraging policy makers to work towards transparent budgetary process and transform public finance in a way that advances economic justice and equity in the Indian society.

The state budgets in this report are analyzed based on 18 sub-parameters inspired by universally accepted International Standards, which are consolidated into four broad parameters: **Public Disclosure & Accessibility of Important Budget Documents (40 percent), Participatory & Inclusive budgetary process (25 percent), Post Budget Fiscal Management & Transparency (25 percent) and Special Efforts to make Budget more Transparent & Citizen-Friendly (10 percent).**

**Ranking of states were calculated taking in account budgetary process of Union as well as State Governments for FY 2019-20.**

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| ***Union Budget is role model for Indian States with score of 76.***  Andhra Pradesh (Score- 64; Rank- 3), Arunachal Pradesh (Score- 48; Rank- 14),Assam (Score- 70, Rank- 1), Bihar (Score- 58; Rank- 5),Chhattisgarh (Score- 49; Rank- 13),Goa (Score- 43; Rank- 17),Gujarat (Score- 50; Rank- 12), Haryana (Score- 51; Rank- 11), Himachal Pradesh (Score-56; Rank- 7), Jharkhand (Score- 61; Rank- 4), Karnataka (Score- 54; Rank- 8), Kerala (Score-50; Rank- 12), Madhya Pradesh (Score- 57; Rank- 6),Maharashtra (Score- 34; Rank- 18), Manipur (Score- 25; Rank- 21), Meghalaya (Score- 28; Rank-20), Mizoram (Score-43; Rank- 17), Nagaland (Score- 48; Rank- 14), Odisha (Score- 66; Rank- 2), Punjab (Score- 29; Rank- 19), Rajasthan (Score- 52; Rank- 10), Sikkim (Score- 44; Rank- 16),Tamil Nadu (Score- 51; Rank- 11), Telangana (Score- 50; Rank- 12), Tripura (Score- 44; Rank- 16), Uttar Pradesh (Score- 46; Rank- 15), Uttarakhand (Score- 53; Rank- 9), West Bengal (Score- 49; Rank- 13), Delhi (Score- 51; Rank- 11), Puducherry (Score- 48; Rank- 14) and Jammu & Kashmir (Score- 43; Rank- 17) |

**Top Three Indian States in Budget Transparency**

**Assam- 70, Odisha- 66, Andhra Pradesh- 64**

**Bottom Five Indian States in Budget Transparency**

**Goa- 43, Maharashtra- 34, Punjab- 29, Meghalaya- 28, Manipur- 25**

**Bottom Five Indian States in Budget Transparency having > 10 Million Population**

**Punjab- 29, Maharashtra- 34, Uttar Pradesh- 46, Chhattisgarh- 49 &West Bengal- 49**

**Top Three Indian States in Budget Transparency having < 10 Million Population**

**Himachal Pradesh- 56, Arunachal Pradesh- 48 & Nagaland- 48**

**Bottom Three Indian States in Budget Transparency having < 10 Million Population**

**Manipur- 25**, **Meghalaya- 28 &** **Goa- 43**

The onus of implementing major welfare schemes lies mostly with the State Governments in India. The budgetary and fiscal decisions taken by the states have the capacity to influence the lives of majority of population perhaps more significantly as compared to Union Budget. The total State governments spending are much larger than central government spending. Therefore, State Govt. must involve stakeholder in budgetary process and proactively disclose information to public in simple and understandable way. **“Budget is key to Government; transparent budget is prerequisite for transparency and good governance in the Country. Modern day communication techniques including social media can be used effectively in the whole process from formulation of budget proposal to the execution, it just requires political will of Governments,” said Rama Nath Jha, Executive Director of Transparency International India.**

**some innovation by state governments**

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| **State** | **Innovations** |
| Assam | Conducts budget awareness campaigns across the state. |
| Assam & Odisha | Published Citizens Budget/ People’s Guide to Budget. |
| Himachal Pradesh, Odisha, Bihar & Uttarakhand | Invite suggestions on budget from the general public   * Himachal Pradesh (separate suggestions portal), * Odisha (suggestions via WhatsApp, SMS, Letters & Email) **Highest no. of feedback received via WhatsApp followed by E Mail, it is interesting to note that maximum no. of feedback were relating to expenditure and developmental project)** * Bihar (suggestions via email) * Uttarakhand (suggestions via email & Facebook Page) |
| Andhra Pradesh, Arunachal Pradesh, Bihar, Himachal Pradesh, Goa, Odisha, Tamil Nadu, Uttar Pradesh, Uttarakhand & One UT- Puducherry | Separate budget portal/website |
| Himachal Pradesh, Assam & Uttarakhand | Mobile phone app for budget (Only disclosure not for suggestions ) |
| Assam, Jharkhand & Karnataka | Published ‘Action Taken Report’. |
| Assam, Bihar, Jharkhand, Odisha, Rajasthan, West Bengal & Andhra Pradesh | Integrated Financial Management System or Comprehensive Financial Management System |

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