

Budgeting for the Judiciary in India

Memorandum to the Fifteenth Finance Commission
by CBGA and DAKSH
December 2018



INTRODUCTION



In this Memorandum, we explore :

1. The allocation of funds to the judiciary at the Union and State levels
2. The patterns and trends in the allocation, and how they relate to the needs and performance of the judiciary
3. Long term reforms to processes of budgeting and resource allocation for the judiciary, based on empirical research

Objectives



To track the allocation of funds to the Judiciary.

To measure the allocation of funds to the Judiciary and observe trends in expenditure

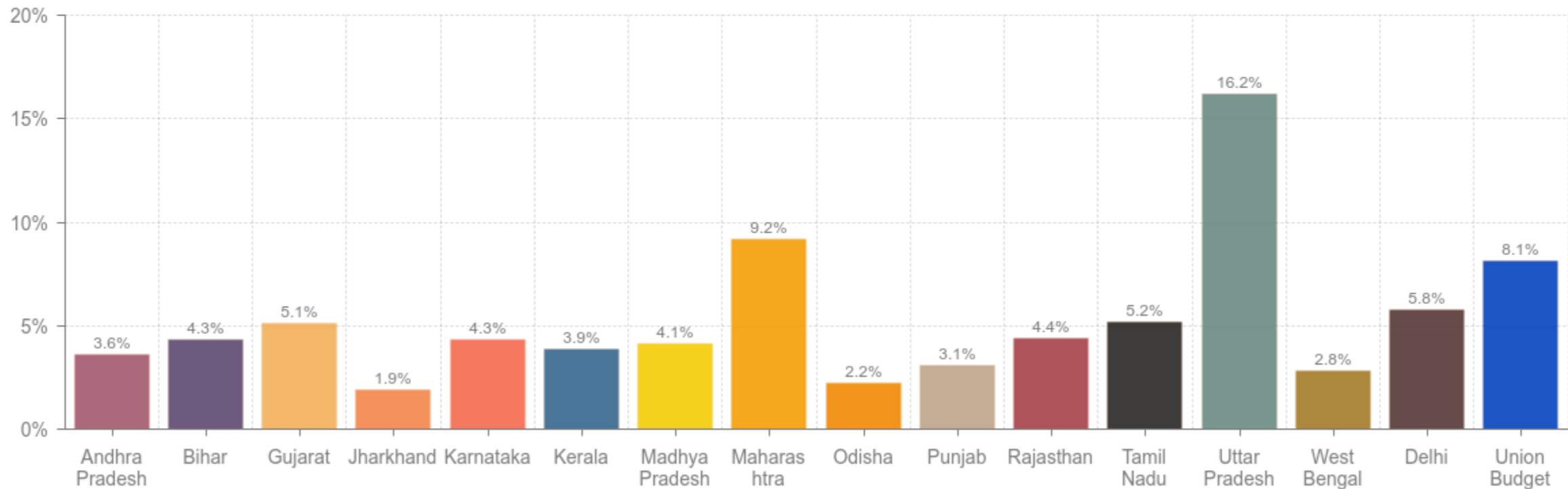
To develop reform measures and suggestions based on analysis of observed trends

Proportion of expenditure



- Only 8% of all expenditure towards the judiciary came from the Union Government in FY 2016-17 to 2018-19, with the other 92% coming from State Government Budgets. See pg. 11 of the Memorandum.

**Share of Union and State Governments
in total judicial expenditure in India**

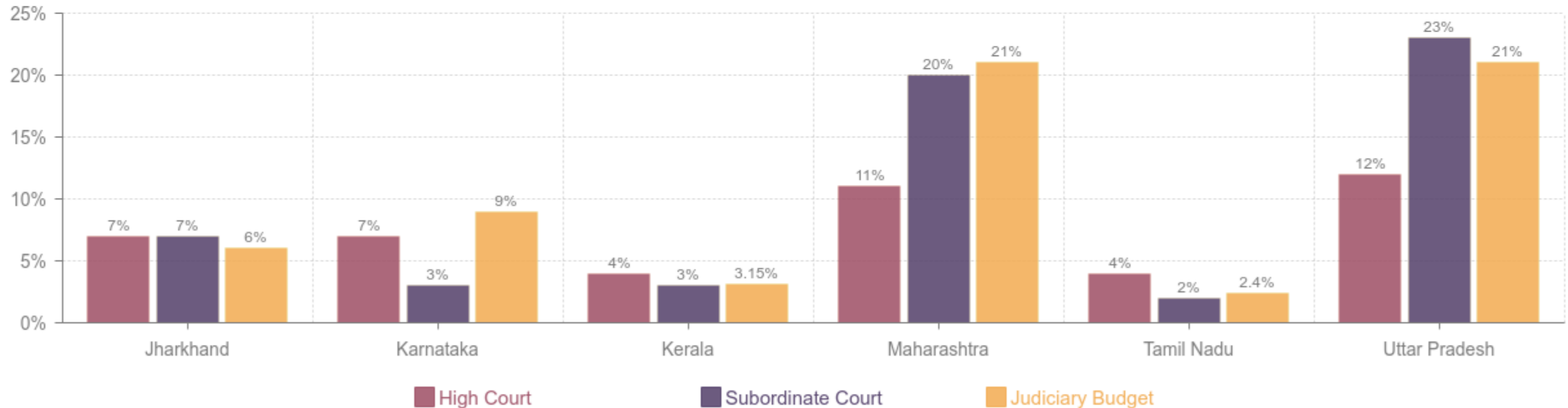


Under-utilisation of funds



- Large proportions of states' allocations toward the Judiciary were un-utilised in FY 2013-14 to 2016-17.
- In Maharashtra and Uttar Pradesh, this was as high as 21%. See pg. 22.
- States may not be able to utilise funds if they suffer deficiencies in other areas, such as human resources and infrastructure.

Percentage of State budget underutilised
For FY 2013-14 to 2016-17



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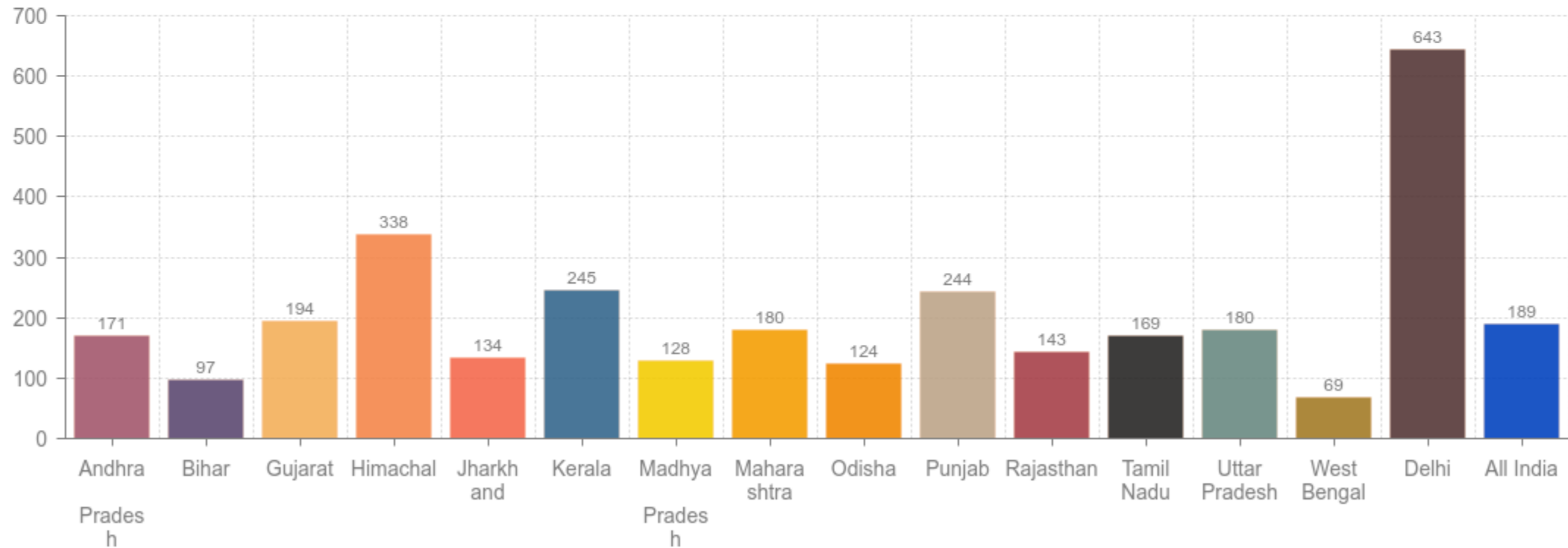
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Unequal contribution to the Judiciary



- There is huge variation in the adequacy of states' judicial budgets, in relation to population. This is measured using judicial expenditure per capita. See pg. 13
- Bihar spends as little as Rs. 97 per capita, whereas Himachal spends as much as Rs. 338

Expenditure on the Judiciary per capita, FY 2018-19
in Rs.

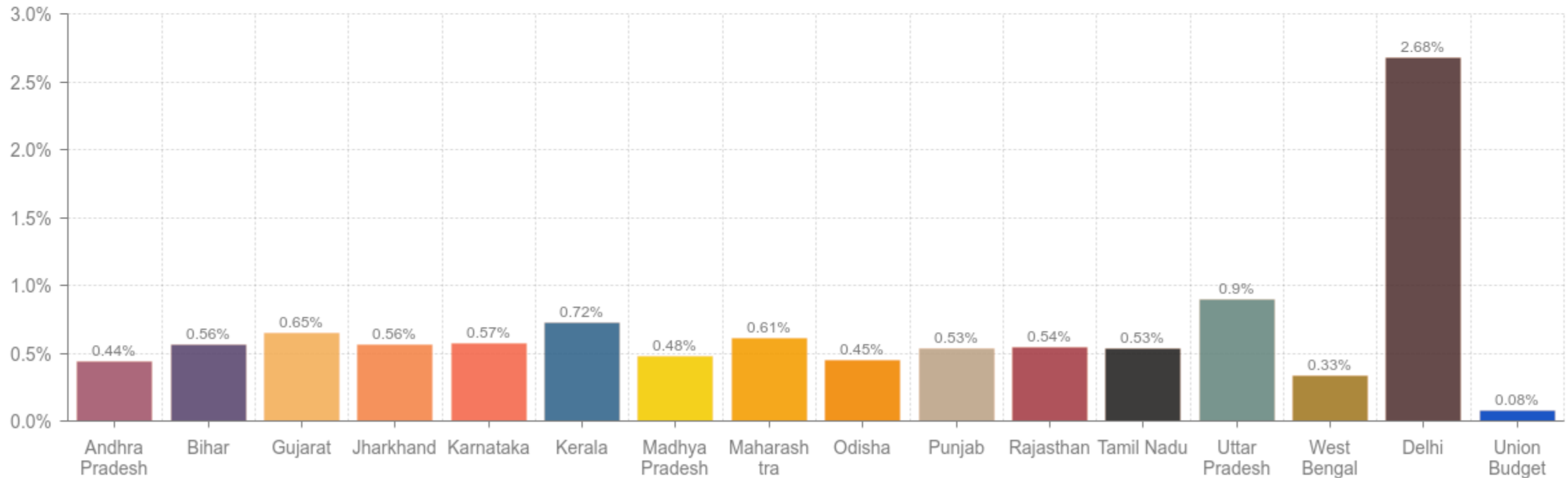


Variation in the priority of the Judiciary



- The percentage of state budgets allocated to the Judiciary also varies considerably. See pg. 11
- Some, such as Uttar Pradesh and Kerala, spend as much as 0.9% and 0.72%, respectively.
- Others, such as West Bengal and Andhra Pradesh, spend as little as 0.33% and 0.44%, respectively.

Percentage of State and Union budgets allocated towards the judiciary

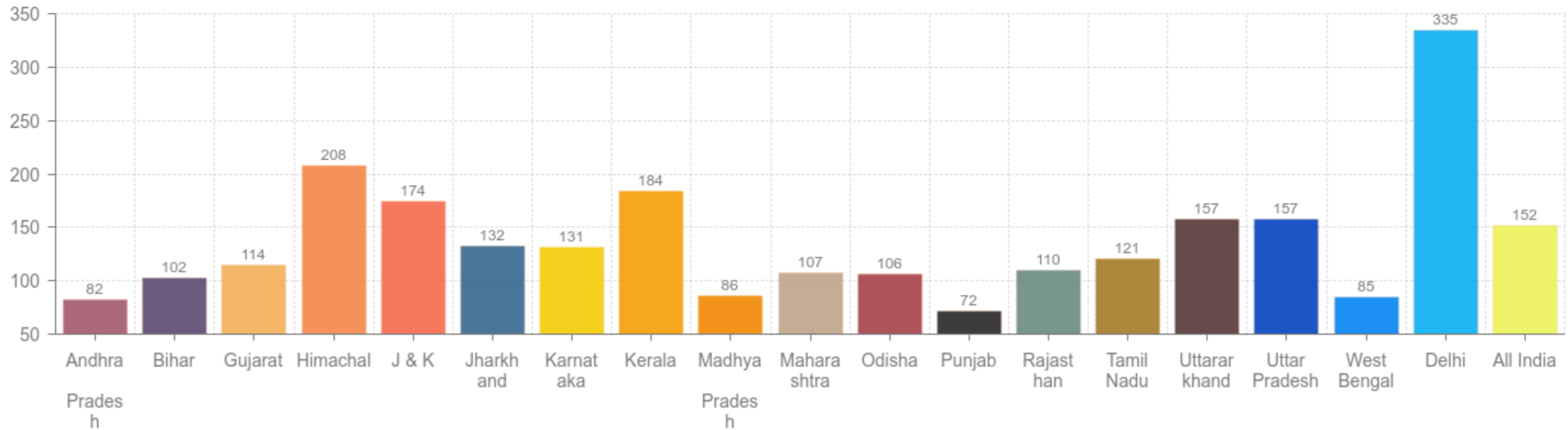


Inequality in meeting demand



- The inequality can be seen in the variation in the average expenditure per subordinate court. See pg. 15.
- Some, such as Himachal Pradesh and Kerala, have allocated as much as Rs. 208 lakh per court and Rs. 184 lakh per court, respectively.
- Others such as Punjab and Andhra Pradesh, have allocated only Rs. 72 lakh and Rs. 82 lakh per court, respectively.

Expenditure per subordinate court
Budgeted expenditure for FY 2018-19 in Rs. Lakhs



Increase in expenditure



- The special grants made by the Thirteenth Finance Commission for the use of the Judiciary were under-utilised. The Fourteenth Commission did not make an special grants. States increased their outlays towards the judiciary, and in some cases did so to meet operational expenses. See Pg. 15.

	% Growth in Judiciary Budget between FY 2-16-17 and 2018-19	Average share of state in all-India judicial expenditure over last 3 years	% of state budget spent on Judiciary
Jharkhand	50	1.9	0.52
Karnataka	73	4.3	0.49
Kerala	27	3.9	0.69
Maharashtra	44	9.2	0.61
Tamil Nadu	35	5.2	0.54
Uttar Pradesh	81	16.2	0.95

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Recommendations



1. **Reform and Research Offices**, at Supreme Court and the High Courts levels, to evaluate judicial performance, identify areas for reform, develop and implementing solutions. The estimated cost over 5 years at any one court is Rs. 23.77 crores (See Annexure A).
2. **Secretariat for Judicial Appointments**, which would perform every activity in making judicial appointments, relieving registry staff of the administrative tasks involved. Cost over 5 years at one court - Rs. 11.27 crores (see Annexure B).
3. **Technological Initiative** with the goal of formulating technological solutions for the judiciary, through research, and then training judicial staff in its use. Cost over 5 years at one court - Rs. 5.64 crores (See Annexure C).
4. A one-time **Budgeting Practices Initiative**, to develop budgeting practices specifically for the Judiciary, based on empirical research. Cost over 5 years at one court - Rs. 5.34 crores (See Annexure D).
5. Conducting **Pilot Projects**, to evaluate and refine these reforms.
6. **Modernisation of Tribunals** with the same reforms would benefit them greatly.

The estimated cost of implementing the first four reforms in the Supreme Court and the High Courts (25 in all) is Rs. 1,200 crores.

THANK YOU

