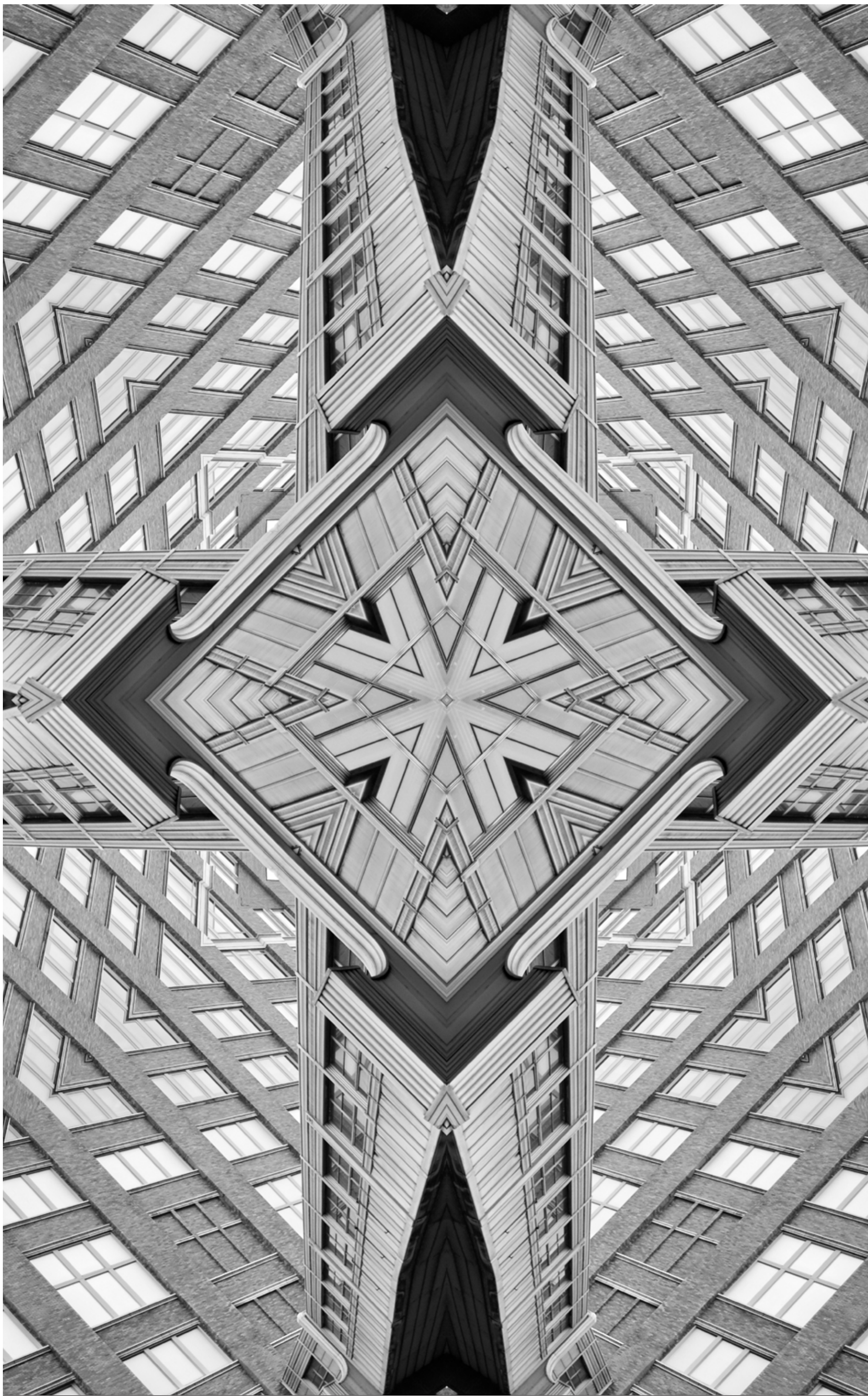
Issue Brief

ISSUE NO. 638
MAY 2023

ORF OBSERVER RESEARCH FOUNDATION



Gender-Responsive Budgeting in India: A Stocktaking

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Abstract

India introduced Gender-Responsive Budgeting (GRB) in financial year 2005-06 to design public spending in a way that ensures that the benefits accrue as much to the country's women as they do to the men. India's effort has influenced both the government's expenditures and its revenue policies—such as additional tax rebates on properties owned by women, for instance—at the levels of both central and state governments. However, 18 years since GRB was initiated, the size of the gender budget remains small, hovering at 5 percent of the total Union budget. This brief evaluates what India has achieved so far in gender-responsive budgeting, and outlines the challenges that impede success.

Attribution: Akanksha Khullar, "Gender-Responsive Budgeting in India: A Stocktaking," *ORF Issue Brief No. 638*, May 2023, Observer Research Foundation.

Introduction

Women in India lag behind men on key development indicators such as education, health, and economic opportunities. Many of them are led into early marriage, pressured to conceive early, and exposed to greater health risks. While male literacy rate in the country is at 84.7 percent, for females, it is 77 percent.[1] According to the Periodic Labour Force Survey 2021-22, only 32.8 percent of women between 15-29 years were part of India's labour force in 2021-2022, while men were at 77.2 percent.[2]

Despite accounting for 48.4 percent[3] of India's population, women do not have proportionate numbers in decision-making bodies and are given little role in policy-making structures and processes. Women comprise only 14.44 percent of the 545 members of the 17th Lok Sabha.[4] If Rajya Sabha members are included, the representation falls to 10.5 percent (as of October 2021).[5] The 2011 census of central government employees showed that less than 11 percent were women, rising to only 13 percent in 2020.[6] In 2022, only 14 percent of all Secretaries in the Indian Administrative Service were women.[7]

Such inequities and underrepresentation have made it more urgent to promote efficient gender-responsive budgeting. Recognising that gender inequality poses a risk to the country's balanced development, and seeking to bridge the gaps, India has attempted to integrate gender concerns into its policymaking processes by including focused measures towards the empowerment of women in its Five-Year Plans, starting with the sixth plan of 1980-85.[8] Though the Planning Commission would eventually be discontinued in 2014, those earlier efforts paved the way for the formal introduction of gender-responsive budgeting (GRB) years before.

GRB is an exercise that applies a gender lens to government programmes and schemes, tracks the funds allocated to them, assesses their implementation and impact, and suggests follow-up corrective action to address gender disparities. The emphasis is on improving women's welfare and livelihood conditions through government policies. It involves segmentation and in-depth analyses of government budgets to establish gender differential impacts of programmes and schemes, and ensure that gender commitments are well reflected in the country's budgetary commitments.

GRB is necessary because national budgets impact women and men differently through the patterns of resource allocation. It is not a mere accounting exercise but a continuous process of integrating a gender perspective into policy formulation, implementation, and review. GRB is used in many parts of the world to address gender inequalities.

Introduction

GRB began in India in 2005-2006 as a fiscal innovation, with the National Institute of Public Finance and Policy—the research institute of the Ministry of Finance (MoF)—designing analytical matrices, institutional mechanisms as well as the methodology to translate gender commitments into budgetary commitments. Every year since then the MoF has been publishing "Gender Budget Statements"—mandated by Budget Call Circulars—along with the Union Budget.

The annual Gender Budget Statements provide a snapshot of public expenditure directed towards women and girls by reviewing the gender components in the programmes designed by the various ministries. It is divided into two parts: Part A, comprising women-specific schemes with their entire allocation going towards women's welfare; and Part B, for those schemes with at least 30 percent of their allocation relating to women.

Gender budgeting in India encompasses four sequential phases—knowledge building and networking, institutionalising of the process, capacity building, and enhancing accountability.[9] The gender budgeting framework has helped design new programmes for women across 30 union ministries and departments, as well as five of the eight Union Territories.[10]

Current data shows that the GRB exercise in India is impeded by challenges. This brief offers insights into these obstacles and outlines recommendations on how GRB should proceed towards better outcomes.

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Budget Allocations 2023-2024: An Overview

While announcing the 2023-24 Union budget on 1 February this year, Finance Minister Nirmala Sitharaman emphasised *'nari-shakti'* (woman power) as key to India's bright future.[11] In her speech, she shifted the focus from *women's development* to *women-led development*, stating that facilitating inclusive development was the government's priority.[12]

The gender budget for the year was pegged at INR 223,219 crore, which is 2.12-percent higher than the Revised Estimates of last year's budget (at INR 218,486 crore). However, the allocation in last year's budget announcement had been a lower INR 171,006 crore—which means that this year's allocation has increased by 30.53 percent.[13] In terms of the government's total expenditure, the gender budget estimate for the current year is 4.96 percent, representing a 0.63-percent rise over 2022-23.[14]

There has been a 228-percent hike in Part A of the gender budget, from INR 26,772.89 crore in 2022-23 to INR 88,044.21 this year.[15] Within this, 90 percent, or INR 54,487 crore—has gone to the *Pradhan Mantri Awaas Yojana* (or the Prime Minister's Housing for All scheme) under which women applicants for housing loans get special interest rates and other benefits.[16] However, Part B of the gender budget—the bigger of the two components, encompassing several schemes related to rural development, health, education and women's empowerment—received INR 1.35 lakh crore which represents a six-percent drop from 2022-2023.[17] Similarly, if the Revised Estimates for Part A in 2022-23 were much higher than the budget announcement, for Part B it was 11.30-percent lower.[18]

The Union Budget 2023 has significantly increased the allocation towards the Safe City Project—an initiative of the Ministry of Women and Child Development (MoWCD) to ensure the safety of women by strengthening public resources[a]—from INR 165.11 crore (2022-2023 Revised Estimates) to INR 1,300.10 crore.[19] Similarly, the MoWCD's Samarthya scheme, launched in 2021 by clubbing existing women's empowerment programmes such as the *Pradhan Mantri Vandana Yojana*[b] and *Swadhar Greh*[c] has been allocated 33-percent more funding this year than in the Revised Estimates of 2022-2023.[20]

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a This was under the Nirbhaya Fund for women's safety set up by the Ministry of Women and Child Development (MoWCD) in 2013. It is named after the pseudonym given (to protect her identity) to the woman who was raped and killed in Delhi in December 2012.

b This is a cash transfer scheme for pregnant and lactating women above 18 years old who are having their first child.

c This scheme supports women in distress, providing them food, shelter, clothing, counselling, and loans.

Furthermore, Part B of the gender budget also includes the allocation for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) worth INR 25,000 crore—and others such as the *Saksham Anganwadi* scheme and *POSHAN 2.0*;[d] the Swachch Bharat Mission;[e] the Flexible Pool for reproductive and child health (RCH) and Health System Strengthening,[f] as well as national health programmes and the National Urban Health Mission—all of which together account for INR 45,000 crore.[21]

Though there were no new schemes or programmes announced in this year's gender budget, the MoWCD allocation stood at INR 25,448.75 crore.[22]

The question remains, however, whether these budgetary allocations have helped achieve gender equality in India.

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d In 2020-21, the MoWCD restructured two existing schemes—the longstanding Integrated Child Development Services (ICDS) scheme (begun in 1975) and the more recent Prime Minister's Overarching Scheme for Holistic Nourishment (POSHAN), begun in 2018—into a single one called Saksham Anganwadi and POSHAN 2.0, which addresses malnutrition in infants, young girls and lactating and pregnant mothers.

e Also called 'Clean India Mission', it was launched in October 2014 to improve sanitation.

f This is one of the components of the National Health Mission.

Taking Stock of India's GRB

India has repeatedly pitched gender budgeting as a powerful fiscal innovation for women's empowerment. Its experience has widely been used as a frame of reference for other gender budgetary control initiatives with several states such as Odisha, Gujarat, Uttar Pradesh and Tripura beginning to mainstream gender into their budgetary commitments as early as 2005-07.[23] The adoption of these gender-focused practices eventually also came to be seen among other countries in South Asia including Nepal, Sri Lanka, Pakistan and Bangladesh, which began working towards the development of a similar gender budgeting model.

According to the UNDP and UN Women, India offers a leading example of gender budgeting in the region, with the Ministry of Finance in the lead role to incorporate gender budgeting in Budget Circulars, Expenditure Budgets, and the Outcome Budget.[24] The technical expertise of the team working with the Ministry of Finance for integrating gender budgeting within the classification of budget transactions became the strength of this initiative.

There is thus little doubt that the government of India has exerted efforts to identify gender issues within the overall fiscal framework. To rectify prevailing gender gaps in education, for instance, it has focused on areas such as lack of gender-segregated toilets, poor infrastructure, and institutional bias including predetermined stereotypes and gender roles that tend to minimise girls' enrolment in educational institutions. The government formulated a programme called *"Beti Bachao, Beti Padao"* (save the girl child and educate her) in 2015, allocating a significant part of the budget to rectify problems and encourage more girls to attend school.[25] The scheme initially covered only 161 districts across the country, but was later expanded to all 640 districts. Reports suggest that the government's initiative has been effective in bringing many more girls to school: the first 161 districts to have been part of the scheme witnessed improved trends in sex ratio at birth in 104 districts, and increased enrolment rate for girls in secondary education at 82 percent by 2018-2019.[26]

Within a few years, GBR was pinpointing gender issues in seemingly gender-neutral domains. The Ministry of Petroleum and Natural Gas, for instance, acknowledged the dangers of indoor air pollution that confront mostly women and children, who spend more time indoors, due to the widespread use of inferior fuel. The Pradhan Mantri Ujjwala Yojana (PMUY), a scheme to provide free liquefied petroleum gas (LPG) connections to women in lowincome households, was thus launched in May 2016.[27] The official website of PMUY states that the scheme has so far covered 715 districts across the country and has released some 95,870,119 LPG connections, thereby fulfilling its aim of providing clean cooking fuel to poor households and replacing the unhealthy conventional cooking fuels such as firewood and cow dung. This brings direct benefits to women, who are by norm expected to spend more hours for cooking chores.

India has also promoted female entrepreneurship through initiatives such as Start-up India,[g] the Pradhan Mantri Mudra Yojana,[h] and the Pradhan Mantri Jan Dhan Yojana.[i] These have had positive impact on women's control over resources and savings. For instance, it was found that of the 463 million Jan Dhan accounts opened till August 2022, 56 percent were by women.[28] These accounts also enable capturing of granular data about their usage, people's access to financial services, extent of banking/fintech outreach—all of which can help tweak policies and programmes for better delivery.

Gender budgeting is thus working towards reducing gender gaps in diverse sectors, not only health, education, and nutrition, but also 'masculinised' sectors such as infrastructure, defence and security. Fifty-seven of India's 58 central ministries have set up gender budgeting cells, while schemes or programmes of 41 of the 93 departments are reported in the gender budget statement of 2022. When GRB began in 2005-06, only nine ministries and departments figured in it. The adoption of GRB at the central level has led to several states also following suit. [29]

Gender-responsive budgeting in India is, however, marred by systemic problems and continues to be ad-hoc, falling short of providing a sustainable mechanism for bringing about concrete changes. This could be due to multiple factors including lack of commitment of fiscal policymakers, governmental bureaucracies, and weaknesses in the structure and implementation of the initiatives.

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g Under this scheme, companies recognised as start-ups get a host of tax and other benefits.

h The scheme provides loans to micro and small industries at affordable rates.

i This scheme, aimed at financial inclusion, enables opening of zero balance 'Jan Dhan' bank accounts.

The biggest challenge to the GRB exercise is that, despite having been in operation for 18 years, budgetary expenditure on it remains a mere 4-5 percent of the total, comprising less than 1 percent of the country's gross domestic product (GDP).[30] It also does not encompass some of the most vital schemes that affect women. For example, the Jal Jeevan Mission—which aims to provide tap water connections to all rural households by 2024—has not been reported in the gender budget.

Also, Part B of the gender budget, comprising programmes with a gender component but not exclusively targeted towards women, has always received far larger allocations than Part A. This means that the gender budget is failing to give adequate attention to schemes that are specifically targeted for women, which would speed up the process of achieving gender equality. The segmentation into Part A (100 percent women-related) and Part B (30 to 99 percent women-related) also means that schemes that set aside less that 30 percent of their funds for women continue to be excluded from the gender budget.

Assumptions behind categorising allocations under Part A or Part B also remain questionable. The Pradhan Mantri Awaas Yojana (PMAY), for instance, accounting for 24 percent of the 2023-2024 gender budget, is in Part A because the scheme encourages women to stake greater claim to house ownership. Yet, MGNREGS, which has 27 percent of the funds allocated to it, is in Part B, despite women accounting for 55 percent of its beneficiaries. Why is MGNREGS that directly targets as well as benefits women in Part B while a gender-neutral scheme like PMAY is in Part A?

Paucity of good quality gender disaggregated data is another challenge. The ministries and departments that do not capture gender-disaggregated information from their schemes and programmes may not be able to assess the targeted expenditure towards the empowerment of women and girls.

Thus the GRB exercise does not seem to fully take into account prevailing gender dimensions as they play out in the grassroots. Combined with limited monitoring, gaps in gender audits and capacity building mechanisms, it leaves space for errors. Scholars have often pointed out that the process has become an aggregation exercise more than a potent tool to foster gender equality.[31]

Recommendations

Despite shortcomings, GRB provides an avenue for mainstreaming gender at different levels of policymaking and planning. Deepening the GRB process will require closing existing gaps and developing institutional capabilities with a vision to bring about gender-transformative reforms. There is thus an urgent need for the following:

- **Transparency:** A transparent mechanism—in terms of GRB methodology—to explain how weights are assigned to various schemes leading to their placement in either Part A or B of the gender budget statement should be introduced.

- **Gender-Disaggregated Data:** Data systems should be ramped up by including the gender component. Building gender-disaggregated data and integrating it with the outcome budget will help in better evaluation and focused allocation. It is also important to go beyond gender binaries and mainstream the transgender community into policy decisions.

- **Institutionalisation:** Further institutionalising GRB within all ministries using a comprehensive strategy that includes in-depth gender analysis, identification of priority areas, proper planning, and setting of short- and long-term goals. Budget allocation should be the culmination of such an effort.

- **Expansion of Scope:** Instead of limiting gender budgeting to areas that have direct, positive impacts on women's development, GRB should also be used in those which have an inseparable gender component or indirect impact on women's welfare. For instance, bringing uninterrupted power supply and water-on-tap to homes can reduce the time that many Indian women devote to unpaid household chores—which accounts for nearly 46 percent of their waking hours and is about 8X the number of hours spent by men on similar tasks[32]—and thereby increase their socio-economic participation.

Conclusion

In the past, women's welfare in India at first emphasised maternal health and childcare; later, the concerns expanded to include women's education and land rights. While some level of parity with men has been achieved in these areas, a lot more still needs to be done. Gender-responsive budgeting has proven to be an efficient tool—when used strategically—to bridge gaps and achieve gender equality by allocating funds to areas where inequalities are more persistent.

The adoption of GRB is seen as a step in the right direction. However, GRB efforts in India have met with limited success, often reduced to a mere ad-hoc exercise. India must evaluate its GRB exercise not only to uphold its gender commitments but also to ensure that women's concerns and needs are mainstreamed in fiscal policymaking.

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