

GENDER BUDGETING AND MACROECONOMIC POLICY MAKING IN INDIA – A CRITICAL REVIEW

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Abstract

Gender budgeting is an approach that aims to incorporate a gender perspective into the budgeting process. It is an approach to government budgeting that takes into account the different needs and experiences of men and women in society. The major objective of this paper deals with critically examine the significance of gender budgeting in macroeconomic policy making in India. It focuses on importance of gender budgeting in general budgetary allocation. It talks about global initiatives for gender budgeting process and historical perspectives of gender budgeting in India since planning period. It also discusses the fiscal adjustments needed for gender-sensitive expenses. It is observed that since the inception of Gender budgeting in India, there is hardly any change in total allocation towards women welfare in terms of percentage. It is around 3 to 6 percent which is not satisfactory. Government and different administrative bodies must focus on increasing socio-economic empowerment of women by giving them appropriate skills, training and job opportunities to enhance their capacity in nation building.

Keywords: Gender Budgeting, Gender Budget Cell, Macroeconomic Policy, Fiscal Adjustments, Women Empowerment

INTRODUCTION

Gender budgeting refers to “a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality” (Council of Europe, 2009). Gender budgeting is an approach to government budgeting that takes into account the different needs and experiences of men and women in society. It aims to ensure that public funds are allocated in a way that promotes gender equality and addresses gender-based disparities. The basic principle of gender budgeting is that governments must analyze the gender impact of all policies, programs, and expenditures before allocating public resources. This involves identifying how women and men are affected differently by a given policy or program, and then adjusting the budget to address these gender-based disparities. The Gender Budget Initiative is a policy framework, methodology and set of tools to assist governments to integrate a gender perspective into the budget as the main national plan of public expenditure. (Patel,2007). For example, gender budgeting may involve increasing funding for programs that support women's economic empowerment or reducing spending on programs that reinforce gender stereotypes or discrimination. Gender budgeting – as an important aspect of budgeting in the public sector – has been neglected by public administration scholars, giving rise to calls for further attention (Steccolini, 2019). A wide range of stakeholders are involved in gender budgeting. They are Government, Parliament, researchers and experts, international organizations, non-government organizations, trade unions and employer's organizations, etc. They play key role in gender budgeting exercises.

OBJECTIVES

Following are the major objectives of this paper.

1. To examine the various global initiatives for gender budgeting.
2. To overview the historical background of gender budgeting in India.
3. To examine the relationship between gender budgeting and fiscal adjustments.
4. To examine the significance of gender budgeting in macroeconomic policy making in India in terms of allocation under gender budgets during last five years.

RESEARCH METHODOLOGY

The present research is descriptive in nature. The analysis is based on secondary data. It includes various reports of Government of India such as reports by Ministry of Women and Child Development, Union Budget Documents, reports of IMF and OECD, papers and articles on gender budgeting in India etc.

In this paper, three ministries have been selected for gender budget allocation which includes Ministry of Women and Child Development, Ministry of Social Justice and Empowerment and Ministry of Skill Development and Entrepreneurship. These have been selected as the first two are directly related to social and economic empowerment of women and the third one is significant for increasing labour market participation and productivity. The paper discusses the budgeted estimates and actual allocation to these ministries during last five years and analyses the changes in the share of these ministries in the total gender budget.

Gender Budgeting – A Global Initiative

Gender disparities are found throughout the world, but they are particularly pronounced in parts of the developing world. In most developing countries, gender disparities in education and health care have narrowed. However, there has been less success in increasing women's role in economic activities, in the management and ownership of productive assets, and in political participation. The international community has committed itself to achieving gender equality and the advancement of women. The United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted by the United Nations General Assembly in 1979, emphasizes the importance of gender equality and girls' and women's development, as a means to strengthen prosperity, and as a matter of basic human rights (Elson, 2006). Gender budgeting has been adopted by several countries around the world, including Australia, Canada, and Sweden. It is increasingly recognized as an effective tool for promoting gender equality and improving the effectiveness of public spending. The original approach to gender budgeting was developed in Australia in the 1980s (Sharp & Broomhill, 2002; Chakraborty, 2016). Gender budgeting was given additional impetus by the Fourth World Conference on Women, held in Beijing in 1995, whose "Beijing Platform for Action" called for ensuring the consideration of a gender perspective and women's needs in budgetary policies and programs (Stotsky, 2016).

In 1993, the Women's International League for Peace and Freedom established a gender budgeting initiative in Canada. In 1995, South Africa's Women's Budget Initiatives established after the first democratic elections. By 2002, there were over 60 countries around the world that had experience of gender budgeting (Singh, 2008). Gender budgeting has become an integral part of the agenda of international organizations such as the United Nations (UN) (UN, 1995; UN Women, 2020), which defined 'gender equality' as one of its 17 Sustainable Development Goals (UN, 2015). In 2016, the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD) began corresponding programmes, providing standards for good practices, such as the IMF Gender Budgeting Toolkit (Stotsky, 2016). In 2020, the Public Expenditure and Financial Accountability (PEFA) framework, developed by international organizations and some developed countries (e.g. the European Commission, IMF, Norway, UK), was complemented with the inclusion of a section on assessing gender responsive public financial management (PEFA, 2020).

Gender budgeting is now widespread. More than 80 countries have tried some variant of gender budgeting, although what these efforts have entailed has varied from place to place. Within their gender budgeting efforts, some countries have adopted or modified fiscal policies and programs to ensure that the budget contributes to the closing of gender gaps and women's advancement. Others have begun a process of trying to collect, in a systematic manner, information on the different needs of women and the differential effects of fiscal policies on women and men, and building this information into budget classification and monitoring systems. A few countries have achieved both substantive changes in fiscal policies and the complementary administrative changes. Some, however, have made little progress beyond setting up relevant administrative machineries or conducting training sessions for public officials.

Government of India has also committed to taking action to improve the situation of women and therefore she has been a party to many international commitments such as Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) since 1980, International Conference on Population and Development (ICPD in Cairo (1994), Fourth World Conference of Women in Beijing (1995), Commonwealth Plan of Action on Gender and Development (1995).

Gender Budgeting in India – A Historical Background

Gender budgeting is an approach that aims to incorporate a gender perspective into the budgeting process. The Government of India first introduced Gender Responsive Budget (GRB) in 2005-06, and since then, there have been efforts to incorporate gender considerations into various budgetary processes, including at the central and state levels. The Union Budget 2021-22 also had a focus on gender responsive budgeting with the finance minister Nirmala Sitharaman announcing the introduction of a Gender Budget Statement as part of the Union Budget. GRB is a tool used to ensure that government budgets are designed and implemented in a way that takes into account the different needs and priorities of women and men. In India, the Ministry of Women and

Child Development has been leading efforts to incorporate GRB into government budgeting processes. The Gender Budget Statement provides a detailed account of the budgetary allocations made for programs and schemes that have an impact on women. The statement includes allocations for women-specific schemes, as well as for schemes that have a significant impact on women's lives, such as healthcare, education, and social welfare.

The Planning Commission of India had implemented steps for women welfare in the economy. Under eleven five year plans during 1951 to 2012, various measures were taken. For example, Central Social Welfare Board was set up in 1953, development of Mahila Mandal from grass root level, emphasis on women education, pre-natal and child health services, separate economic agenda for women as multidisciplinary approach with focus on health, education and employment, bring women into the mainstream of national development, establishment of Department of Women and Child within the Ministry of HRD, introducing various schemes for women beneficiaries, adopted National Policy for Empowerment of Women, started gender-sensitive budget, establishment of separate ministry of Women and Child Development during the tenth five year plan etc.

The gender budgeting process in India involves a gender analysis of the budget, which examines the impact of government policies and programs on women and men. This analysis is carried out at all levels of government, from the national level to the local level. The analysis helps in identifying the areas where gender gaps exist and where investments are needed to address them. Some examples of gender budgeting initiatives in India include programs to improve access to education for girls, initiatives to provide better healthcare services for women, and measures to promote women's entrepreneurship and economic empowerment.

While gender budgeting is practiced at the national level in India, some states have also adopted this approach in their budgetary process. Odisha was the first state in India to implement gender budgeting in 2004-05. This follows Tripura (2005-06), Uttar Pradesh (2005), Karnataka (2006-07) and Gujarat (2006). Each state has set up a Gender Budget Cell to oversee the process. The subsequent adopter states are Madhya Pradesh, Jammu and Kashmir, Arunachal Pradesh, Chhattisgarh, Uttarakhand- all in 2007-08, Himachal Pradesh in 2008, Bihar and Kerala in 2008-09, Nagaland in 2009, Rajasthan in 2011, Andaman and Nicobar Island in 2012, Dadra and Nagar Haveli in 2011-12 and Maharashtra in 2013. The gender budgeting process in Kerala is a participatory one, involving consultations with women's groups and other stakeholders. Karnataka has set up a Gender Budget Cell to oversee the process. The gender budgeting process in Karnataka involves consultations with women's groups and other stakeholders. These states have made efforts to allocate funds for programs and policies that aim to address gender disparities and promote gender equality. However, the effectiveness of gender budgeting in these states varies, and there is still a need for more comprehensive data and evaluation to assess the impact of gender budgeting on the ground (Gender Budgeting Handbook, 2015).

A few states such as Bihar, M.P., and Rajasthan have also made provision for 50 percent reservation for women in local governments. Thus the gender mainstreaming in decentralized governance has been initiated, however women's share in policy perspective and resources allocation in urban sector has been reported to be very low (Singh, 2008).

Gender Budgeting and Fiscal Adjustments

Gender budgeting refers to the process of incorporating a gender perspective into the budgeting process, with the aim of promoting gender equality and addressing the specific needs and challenges faced by women. Fiscal adjustments, on the other hand, refer to changes made to government spending and taxation policies to achieve fiscal sustainability. Gender budgeting is an approach to budgeting that uses fiscal policy and administration to promote gender equality and girls' and women's development. (Stotsky, 2016)

In India, gender budgeting and fiscal adjustments are often interlinked, as fiscal adjustments can have an impact on gender equality and women's empowerment. For example, if the government decides to reduce spending on social welfare programs, such as those that provide education and healthcare services to women, it can have a negative impact on gender equality. On the other hand, if the government decides to increase spending on programs that are specifically designed to promote women's empowerment, such as those that provide training and resources for women entrepreneurs, it can have a positive impact on gender equality. Therefore, it is important for the government to take a gender-sensitive approach when making fiscal adjustments. This can be done by incorporating a gender perspective into the budgetary process and ensuring that the specific needs and challenges faced by women are taken into account when making budgetary decisions.

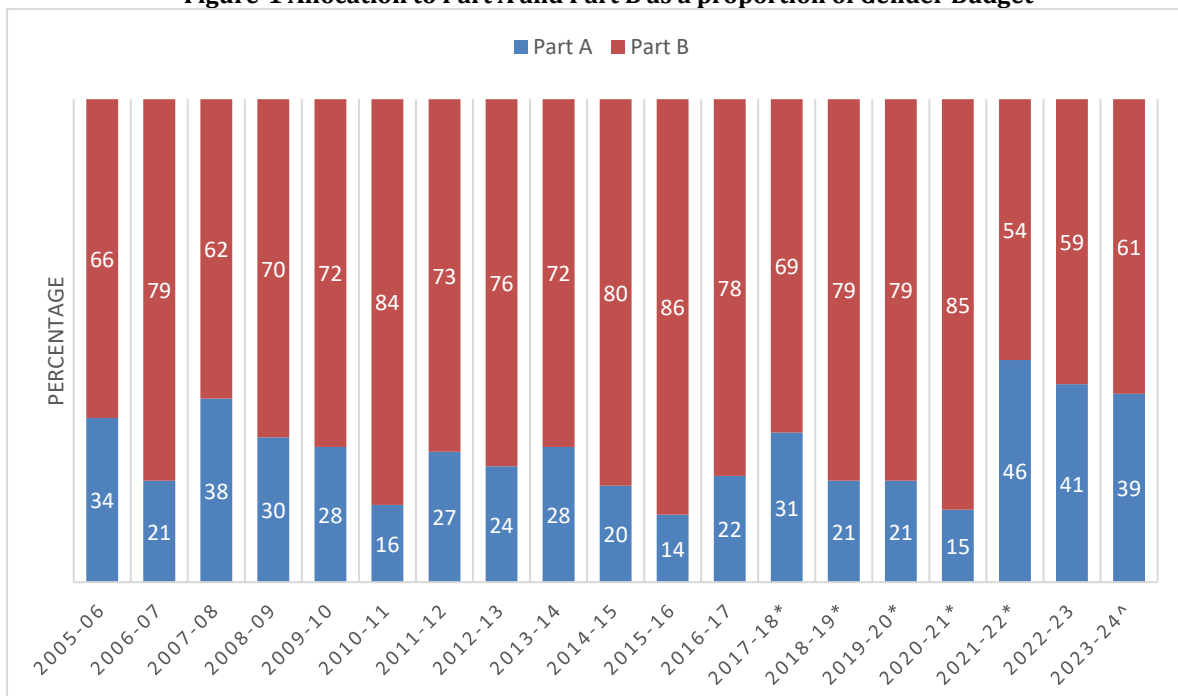
In summary, gender budgeting and fiscal adjustments are both important components of India's budgetary process. By incorporating a gender perspective into fiscal adjustments, the government can promote gender equality and empower women, while also achieving fiscal sustainability.

Gender Budgeting and Macroeconomic Policy Making in India

Macroeconomic policy making refers to the process of formulating and implementing policies that affect the overall performance of the economy. This includes policies related to fiscal and monetary policy, trade, and investment. In India, gender budgeting has been integrated into the macroeconomic policy making process. Budget impacts women's lives in several ways. It directly promotes women's development through allocation

of budgetary funds for women’s programmes or reduces opportunities for empowerment of women through budgetary cuts (Patel, 2007). The government has established a Gender Budgeting Cell within the Ministry of Finance to ensure that gender concerns are incorporated into the budget process. The cell is responsible for analyzing the impact of budget policies on gender equality, monitoring gender-based budget allocations, and conducting gender-based audits of government programs and policies. The Gender Budgeting Cell also works with other government departments and agencies to ensure that gender concerns are integrated into their policies and programs. For example, it works with the Ministry of Women and Child Development to develop programs that address the needs of women and children, and with the Ministry of Health and Family Welfare to improve access to healthcare for women. The first Gender Budgeting Statement (GBS) in the Union Budget 2005-06 included 10 demands of grants (Patel, 2007). In 2023-24, the GBS got expanded to 102 demands for grants under 50 ministries/ departments of the Union government and 5 Union Territories. The main objective of gender budgeting in India is to ensure that public policies and programs are designed in a way that benefits women and promotes gender equality. It aims to ensure that adequate financial resources are allocated towards programs and initiatives that address the specific needs and challenges faced by women. Here in this paper among the total gender budget allocation, allocation to three women oriented ministries have been selected for analysis purpose. It includes Ministry of Women and Child Development, Ministry of Social Justice and Empowerment and Ministry of Skill Development and Entrepreneurship. The allocation to gender budgets in India as a proportion of the total Union budget has remained constant since its inception, ranging from around 3 to 6 per cent of the Union budget. The gender budget in India comprises two parts: Part A encompasses schemes that allot 100 per cent of the funds for women (such as maternity benefits). Part B consists of schemes that allocate at least 30 per cent of funds for women (such as the Mid-Day Meal scheme). Since its initiation, the gender budget has increasingly been dominated by Part B. As observed in the following Figure 1, in the year 2005-06, Part A and Part B accounted for over 34% and 65% of the Gender Response Budget. Since its inception however, the Gender Budget is skewed by allocations in Part B, with Part B occupying 85% of the gender budget in the pandemic in the year 2020-21. In the year 2021-22, the share of Part A in the total Gender Budget peaked at 46% first ever. However, then it has been falling. In the year 2022-23, Part A accounted for 41% of the gender budget while Part B accounted for 59%. In the year 2023-24, however, Part A, went further down to 39%, while Part B rose to about 61% of India’s gender-responsive budget. This has implied that wholly-women-specific schemes do not form the majority of the gender budget.

Figure-1 Allocation to Part A and Part B as a proportion of Gender Budget



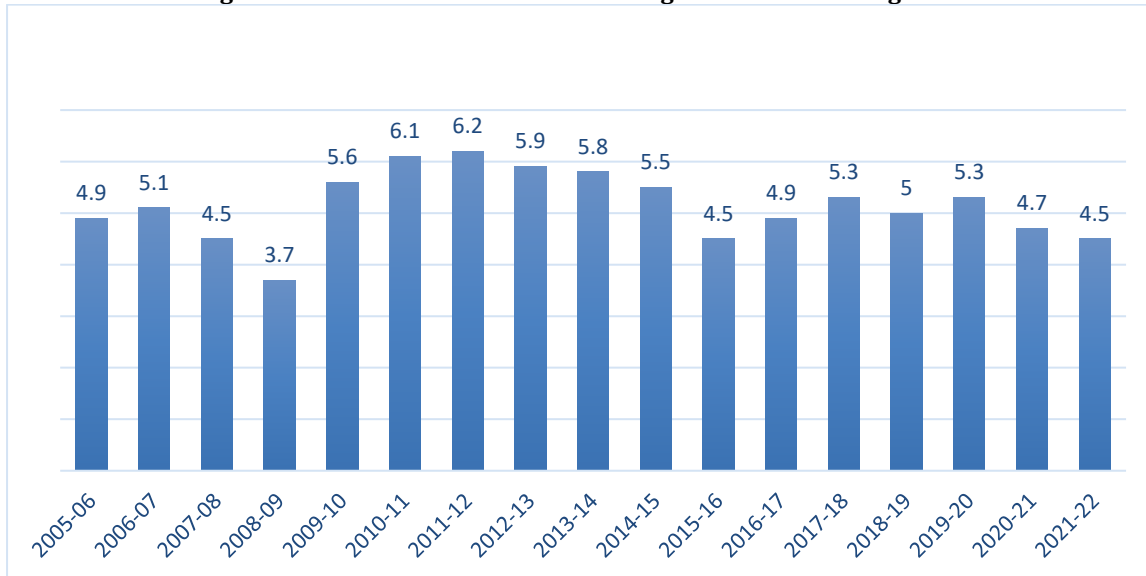
Source: Gender Budget, Union Budget 2005-06 to 2022-23. Available online at: <https://www.indiabudget.gov.in/>

Note: All figures are Revised Estimates, except figures marked with * which are Actuals, and ^ which are Budget Estimates.

Apart from this, it has been observed that the overall gender budgeting constitutes only around 5 per cent of the total budget and it remained almost constant since 2005-06 as seen from the following figure 2. The intensity of gender in budgetary allocations has been widely dispersed. Higher budgetary allocations per

scheme do not ensure higher spending and there is huge deviation between what is budgeted and what is actually spent if we analyse the sectoral expenditure under gender budgeting which shows significant fiscal slippages (Chakraborty, 2021).

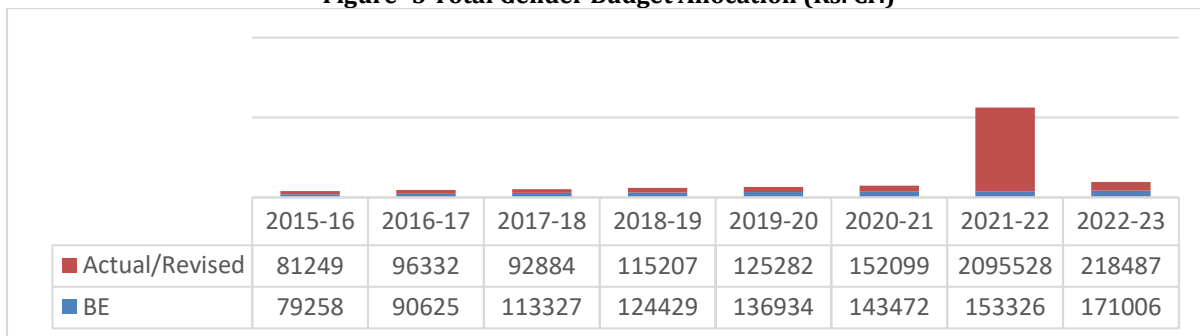
Figure-2 Distribution of the Gender Budget in the Total Budget in India



Source: Expenditure Budgets Union Budget 2021-22, Government of India

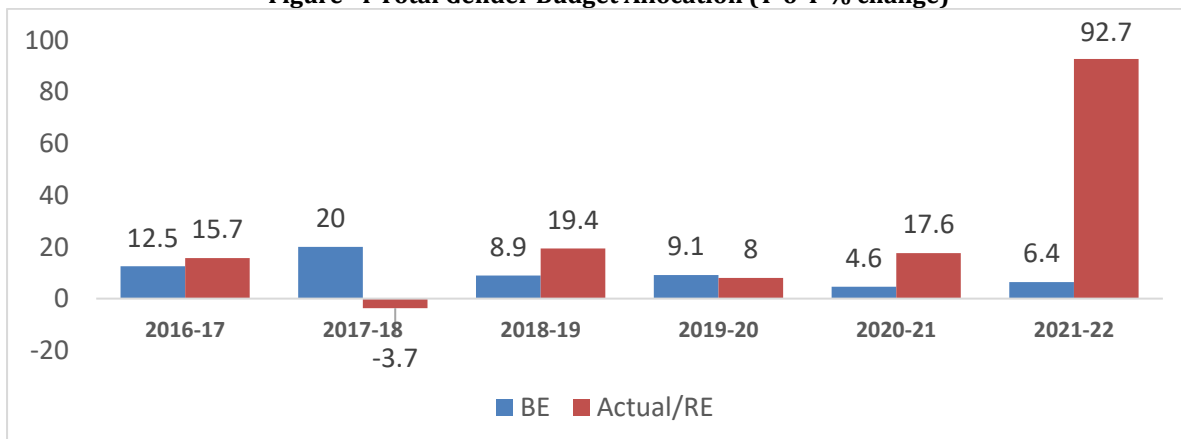
It has been observed from the following figure-3 that the gender budget allocation is highest during 2021-22 in actual basis among all years from 2015-16. It because of Covid-19 effect. In rest of the years, we can infer that actual or revised budget allocation is more than budget estimates in absolute numbers. But if we look at y-o-y% change basis, there has been difference in budget estimates and actual or revised estimates. In the year 2017-18 and 2019-20, actual allocation has seen to be reduced compared to the previous year. Again in 2022-23, it has been reduced as seen from the figure-4.

Figure- 3 Total Gender Budget Allocation (Rs. Cr.)



Source: Expenditure Budgets Union Budgets 2015-16 to 2022-23, Government of India

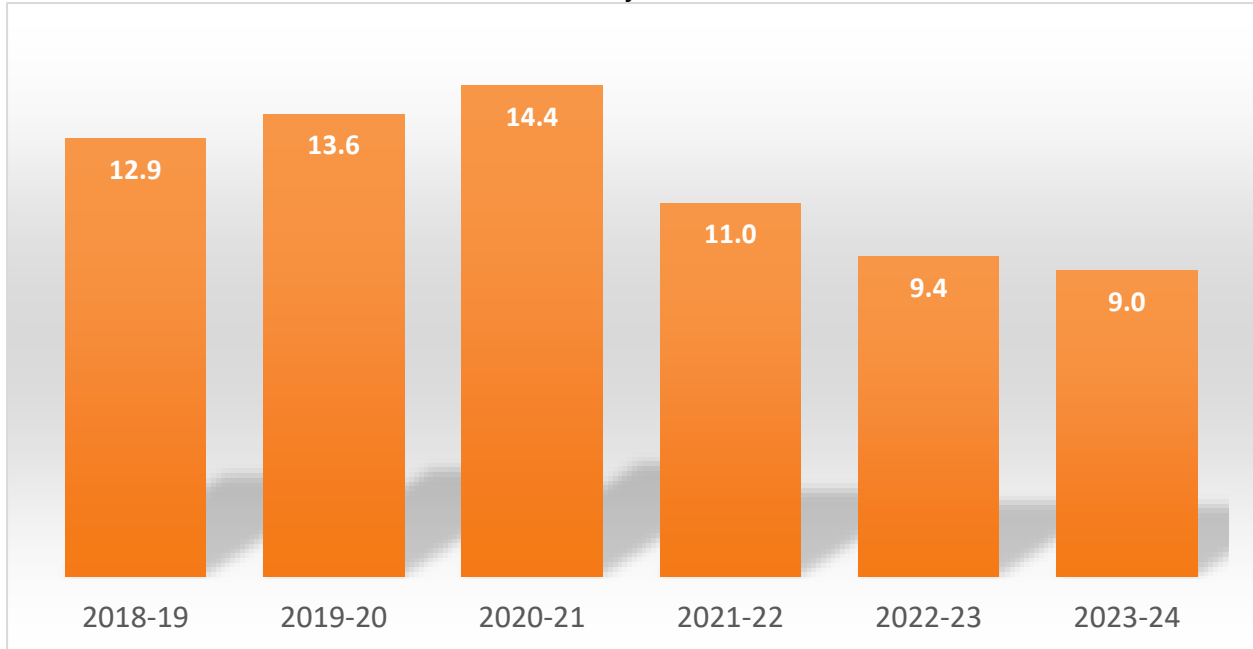
Figure -4 Total Gender Budget Allocation (Y-o-Y % change)



Source: Expenditure Budgets Union Budgets 2015-16 to 2022-23, Government of India

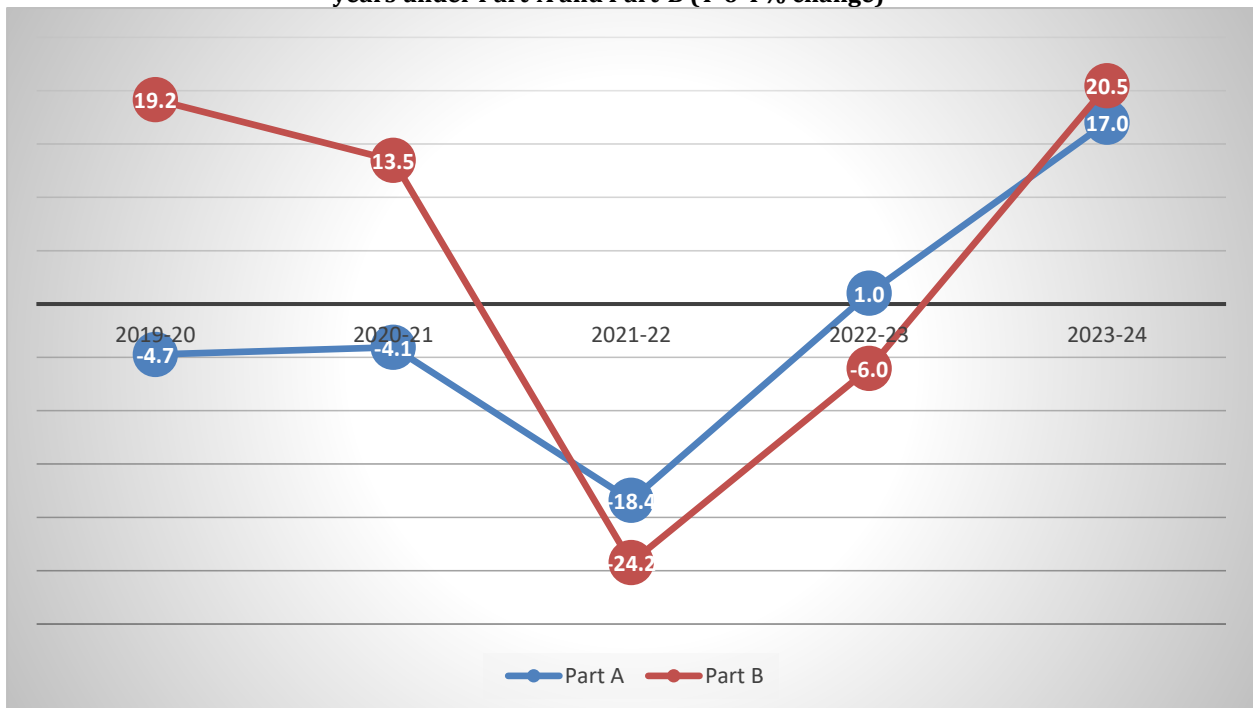
If we look at Ministry-wise allocation especially to Ministry of Women and Child Development during last five years, it is seen from the following figure-5 that of the total gender budget, the share of the ministry is between 9 to 14 percent during last five years. From 2022-21, the share has been decreasing.

Figure-5 Percentage share of Ministry of Women and Child Development in total Gender Budget during last five years



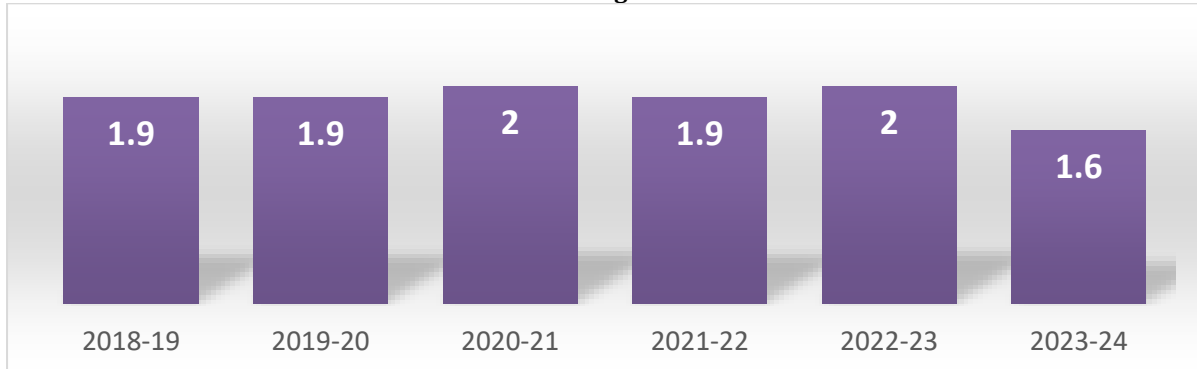
The allocation to the Ministry under Part-A which is meant for the schemes where allocation is 100 percent for women oriented, is very poor. As seen from the figure that during 2019-20 to 2021-22, it was negative. Only after the year 2022-23 onwards, it has increased. While under Part-B which is meant for the schemes where atleast 30 percent allocation is for women, the allocation to the Ministry has been declining from 2019-20 up to the year 2021-22. This can be seen from the following figure-6.

Figure-6 Allocation to Ministry of Women and Child Development in Gender Budget during last five years under Part-A and Part-B (Y-o-Y% change)



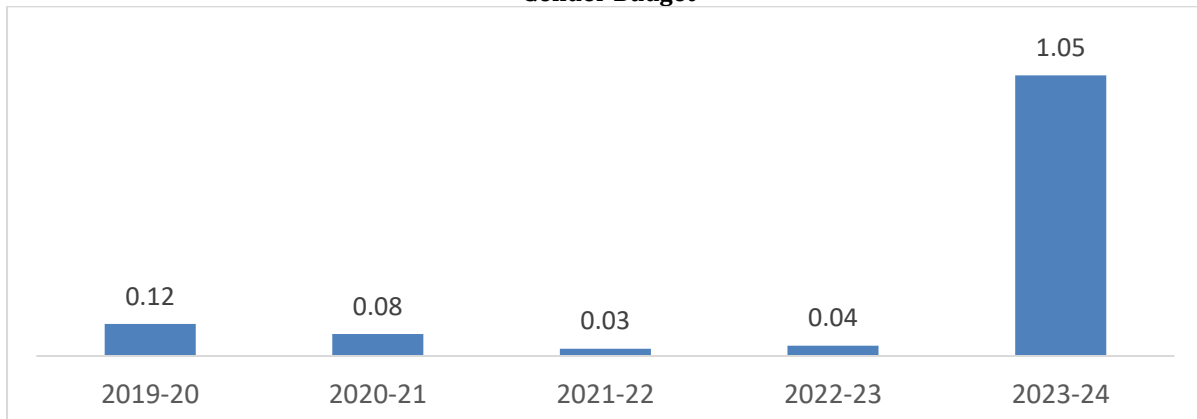
Now if we look at another important ministry from the perspective of women is Ministry of Social Justice and Empowerment. It is seen from the below numbers, it shows that the ministry has received the share between 1 to 2 percentage in the total gender budget allocation.

Figure-7 Allocation to Ministry of Social Justice and Empowerment as a Percentage of Total Gender Budget



Now in the present era, the role of skill development and entrepreneurship is very important from the perspective of job availability in the market. So, for the women to be the representative in the current fast growing market economy, she must have enough skills. It is seen from the following figure-8, the allocation to Ministry of Skill Development and Entrepreneurship in the total gender budget has been less than 1 percentage during 2019-20 to 2022-23. It is only under the current financial year, the allocation has been enhanced to 1.05 percent. It is also observed from the budget document of expenditure under gender budget that the allocation to this ministry has been started from 2019-20 only. Earlier there was no provision for this ministry to have a scheme for women and to have a fund especially for women.

Figure-8 Allocation to Ministry of Skill Development and Entrepreneurship as a percentage of Total Gender Budget



CONCLUSION

Overall, gender budgeting in India has played an important role in promoting gender equality and ensured that public policies and programs are designed to address the specific needs and challenges faced by women. However, there is still a long way to go, and more efforts are needed to ensure that gender budgeting is implemented effectively across all levels of government and take into account the needs and priorities of women and other marginalized groups. There are challenges to implementing gender budgeting in India. One challenge is the lack of data on gender disparities and the impact of policies on gender equality. Another challenge is the lack of political will to prioritize gender concerns in budget allocations and policy making. After looking at the data analysis for three different ministries, it is advisable for the government to allocate more funds to skill-oriented and technology-enabled schemes and programmes for economic empowerment of women and to those ministries which are directly connected to skill enhancement, innovative practices, critical thinking, economic and social empowerment, and effective public participation for overall sustainable development.

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