Gender Responsive Budgeting, as Fiscal Innovation: Evidence from India on "Processes"

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Abstract

Gender responsive budgeting (GRB) is a fiscal innovation. Innovation is defined as a way of transforming a new concept into tangible processes, resources, and institutional mechanisms in which a benefit meets identified problems. GRB is a fiscal innovation in that it translates the gender commitments into fiscal commitments through applying a 'gender lens' to the identified processes, resources, and institutional mechanisms; and arrives at a desirable benefit incidence. Theoretical treatment of gender budgeting as fiscal innovation is not incorporated, as the scope of this paper talks broadly on the processes. GRB as an innovation has four specific components: knowledge processes and networking; institutional mechanisms; learning processes and building capacities; and public accountability and benefit incidence. This paper analyses these four components of GRB in the context of India. National Institute of Public Finance and Policy has pioneered research related to gender budgeting in India besides getting it institutionalised within the Ministry of Finance, Government of India. The Expert Committee Group on 'Classification of Budgetary Transactions" recommendations on gender budgeting (Ashok Lahiri Committee recommendations) led to the institutionalisation process, integrating the analytical matrices of fiscal data through a gender lens and also the institutional innovations for GRB. Revisiting to the 2004 Lahiri recommendations and revamping the process of GRB in India is inevitable, at *ex-ante* and *ex-post* levels.

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Gender Responsive Budgeting, as Fiscal Innovation: Evidence from India on "Processes"

Introduction

Gender responsive budgeting (GRB) is a fiscal innovation. Innovation is defined as a way of transforming a new concept into tangible processes, resources and institutional mechanisms in which a benefit meets identified problems. GRB is a fiscal innovation in that it translates the gender commitments into fiscal commitments through applying a 'gender lens' to the identified processes, resources and institutional mechanisms; and arrives at a desirable benefit incidence. GRB as an innovation has four specific components: knowledge processes and networking; institutional mechanisms; learning processes and building capacities; and public accountability and benefit incidence. This paper analyses these four components of GRB in the context of India and also highlights a few sectoral processes before arriving at policy conclusions. GRB is emerging as a significant socio-economic innovation tool for transparency and accountability by analysing budgetary policies and identifying their effects on gender development. It has two inevitable dimensions: equity and efficiency. It is a misnomer that GRB is making separate budgets for women. It is also wrongly interpreted as earmarking of funds for gender development. GRB is defined as an analysis of the entire budget process through a gender lens to identify the gender differential impacts and to translate gender commitments into budgetary commitments.

Can all public expenditure be gender partitioned? Does investing in public infrastructure prove to have more impact on the poor – especially women – than allocations designed through specifically targeted programmes? Does economic growth *per se* translate into better gender sensitive human development? Has the contribution of women to the economy been properly analysed and fiscal services been designed to redress the capability deprivation of women in the unpaid care economy? These are several crucial questions that make GRB inevitable as a fiscal innovation.

In India, the crucial players of these innovative processes have been UN Women and the Ministry of Women and Child Development (MWCD) in collaboration with the National Institute of Public Finance and Policy (NIPFP), and the Ministry of Finance. The process of GRB began in the year 2000-01 in India. This paper examines the contributions of these major players to the four distinct components of GRB innovation mentioned above.

2. Knowledge Building and Networking

Investing in research on GRB was crucial for India in 2000, when the new concept was extremely nebulous for a meaningful public policy. GRB thus began in India with knowledge building and networking at the time when no GRB models existed in the context of developing countries. It was pertinent to invest in research on developing an approach and tools in which a gender lens could be applied to government budgets. In 2000, the Government of India and UN Women took the initiative to commission a research study by the National Institute of Public Finance and Policy (NIPFP). This research received national and international attention in terms of its effectiveness in research and public policy. An IMF paper by Stotsky (2006) highlighted the significance of this study in providing models linking fiscal policy to gender development. UN Women (2012) in an evaluation study on gender budgeting, highlighted the effectiveness of the NIPFP study in providing research inputs and supporting the institutionalisation of gender budgeting in the country within the Ministry of Finance. The GRB Evaluation Study also highlighted that this study by NIPFP is the most comprehensive GRB study in the region that they saw over the course of the GRB evaluation period from 2000–2011.

The role of the NIPFP in the process of GRB as an innovation was multifold. First, it provided an analytical framework and models to link fiscal policy stance to desired gender development. Second, the research institute served as the nodal agency to provide policy inputs in the process of institutionalisation. Third, it served as the co-ordinator and facilitator for capacity building for the sectoral budgetary processes of GRB. Fourth, it highlighted the need for accountability processes.

To provide an analytical framework for gender budgeting, the NIPFP study constructed a model to link fiscal policy to gender development. This pioneering study analysed the link between public spending on public education and health, and gender development, showing the positive effects of such spending on the indicators of gender inequality. This approach was significant for the gender budgeting initiative, as it took the existing debate of economic growth viewed in isolation into the realms of how it translates into human development. The analysis highlighted the limited scope of trickledown effects of economic growth-promoting strategies and emphasised the role of fiscal policy in gender sensitive human development.

The major challenge in the initial stage of gender budgeting in India stemmed from the debates on public policy and gender in relation to the 'Women Component Plans (WCP)', designed as part of the government's Ninth Five Year Plan on Women's Empowerment, which had not resulted in the intended outcomes. The WCP, which earmarked 30 per cent of all developmental programmes and schemes for women, was designed as a tool to bring about women's empowerment, one of the objectives of the Ninth Five Year Plan.

To identify the limits of WCP, the NIPFP study was an attempt to analyse the whole budgetary process through a gender lens. It concluded that WCP would have been more effective had there been a differential targeting of public expenditure emanating from the identification of appropriate programmes for women across sectors. In other words, reprioritising public expenditure based on a generic list of appropriate programmes and policies for women might be more effective than ad hoc homogenous targeting of 30 per cent across sectors.

Yet another challenge of gender budgeting in India was to establish the need for specifically targeted programmes for women. A study by Fan *et. al.* (1999) noted that public expenditure on public infrastructure has a greater impact on poverty reduction than specifically targeted programmes. This is one step away from suggesting that there is no need for gender budgeting in terms of specifically targeted programmes for women if gender concerns can be integrated in mainstream public expenditure. This generates debate on 'specifically targeted programmes for the poor' versus 'infrastructure programmes', particularly in terms of gender budgeting. It is to be noted that women have both practical needs and strategic needs. Investment in infrastructure can catalyse the fulfilment of the practical needs of women, but gender budgeting is also required for addressing the financial allocation and implementation issues related to the strategic needs of women.

In terms of mainstream public expenditure and gender budgeting, the debates often threw up an intriguing question. Can all mainstream public expenditure be gender partitioned? While it is debatable as to whether public goods and services that are non-rival and non-excludable in nature such as defence can be amenable to gender partitioning, many other areas of public expenditure also have differential impacts on the two sexes. It is all the more relevant to note that these issues of non-rivalry and non-excludability may not only apply to gender, but also to other disadvantaged sections of the population, such as those of a different race or socioeconomic group.

The interface between gender and ethnicity is an impending issue and it is therefore compelling to promote gender budgeting on the assumption that 'all women are not equal'. Public expenditure on infrastructure such as roads, irrigation, energy, water and sanitation, science and technology, has intrinsic gender dimensions. It becomes important to examine the infrastructure budgets such as energy, technology and transport that are assumed to be 'gender-neutral'. Analysis of public infrastructure budgets would not only reveal the differing needs of, and constraints on women's and men's lives and productive roles, but would also help to reveal the inefficiency of existing allocations, which may not be adequately reaching women and men.

Yet another dimension of the GRB process in India was to provide thrust to the unpaid care economy, which is statistically invisible. Conceptually, the allocation and efficiency of time spent in the unpaid care economy has repercussions on the market economy. However, effective policies in terms of the care sector have yet to be specified.

2.1 Analytical matrices and methodology of gender responsive budgeting in India

The analytical matrices and methodologies on GRB have not undergone any changes over the period of time. Broadly, they can be categorised into *ex-post* and *ex-ante* methodology. The *ex-post* methodology focuses on existing budgets at the national and subnational budget levels, which are analysed through a gender lens to examine their effectiveness on outcome. This *ex-post* methodology has two components: gender intensity of fiscal inputs, and the effectiveness of public expenditure through benefit incidence analysis or expenditure tracking process. Analytical matrices for categorising public expenditure through a gender lens were identified as follows:

i. Specifically targeted expenditure to women and girls;
ii. Pro-women allocations, which are the composite expenditure schemes with a significant women's component; and
iii. Residual public expenditures that have gender–differential impacts.

It was further suggested that (i) and (ii) categories be classified on the 'nature' of programmes such as protective and welfare services, regulatory or institutional services, empowerment services and social services. The studies showed that most of gender related public expenditure falls under protective and welfare services, which reinforces the patriarchal thinking in framing policies for women. In terms of budget allocations, programmes such as employment programmes, and microfinance, among others, were negligible in nature.

However, segregation of gender specific allocations in the budget by introducing a new budget head of account is yet to be considered. Gender disaggregated public expenditure benefit incidence analysis (BIA) involves the measurement of the unit cost of providing a particular service and the number of units utilised by gender. The paucity of gender disaggregated data on services utilised constraints such benefit incidence analysis for a variety of public services. Furthermore, theoretically, all public goods and services cannot be gender partitioned.

The policy series of *ex-post* gender budgeting analysis based on this methodology was revealing. Higher budgetary allocation for women *per se* does not translate itself into higher spending, as there has been significant deviation between budget estimates and actuals. It is important to note in this context that gender sensitive analysis of budgets begins with categorising expenditure, but it does not stop there. These studies recognises that the categorisation has to be followed by a number of exercises that examine what 'use' has been made of expenditures and what 'impact' this has had (that is, from the financial inputs to the gendered outputs and impacts). Thus, linking gender budgets to outcome budgets and performance budgeting are equally important. Expenditure tracking surveys are also required to analyse the implementation aspects of these programmes as well as the leakages in the financial allocation, if any.

The lack of data disaggregation by gender on tax revenue thwarted the detailed analysis of the tax aspects of gender budgeting to a considerable extent. However, looking at the income tax rules documents through a gender lens in yet another study, the only one tax exemption identified for women is under Section 88C.1 This tax exemption only marginally affects women in India since only four per cent of economically active women are employed in the formal sector. Furthermore, Section 88C has now been discontinued. An International Development Research Centre (IDRC) funded study carried out by NIPFP examined the direct and indirect tax as well as the tax incidence analysis through a gender lens (Chakraborty *et. al.* 2010).

2.2 Fiscal federalism, decentralisation and gender responsive budgeting.

With the advent of fiscal decentralisation, the scope of determining gender equality within federal settings has been analysed in a cross country project commissioned by UN Women New York. This NIPFP study explored the possibilities of integrating gender perspectives at the local level, comparing India with four other countries; Philippines, South Africa, Morocco, and Mexico.[2] This carries a significant challenge due to the dominance of elite groups across economic jurisdictions and their influence and control over financial resources and in the public expenditure decisions related to the provision of public goods and governance or the 'elite capture'.

Yet another concern is whether gender should be incorporated in intergovernmental fiscal transfers. An argument which refutes the possibility of gender in

[2] Rao and Chakraborty (2006) on Morocco, Chakraborty (2006a) on Philippines, Chakraborty and Amaresh Bagchi (2007) on South Africa, and Chakraborty (2007b) on India, and Chakraborty (2009) on Mexico.

fiscal transfers is that fiscal transfers – especially unconditional transfers – are meant to offset the fiscal disabilities and therefore it is desirable to keep the formula-based intergovernmental transfer simple and without perverse incentives. A working paper by the Levy Economics Institute argued that given the disturbing demographic facts of the precipitous decline in the sex ratio for children in the under-6-years-of-age group, especially in some of the prosperous states of India, there can be no valid objection to using central transfers for this purpose (Chakraborty 2010c). The paper suggested that a simple method for this could be to introduce some weight for female population or a child sex ratio in the tax devolution formula of the Finance Commission, as well as the Gadgil formula for the allocation resources and planning at state level.

The inclusion of a gender inequality index in the transfer formula however may not result in the intended results as the variables included in the index may neutralise each other. However the gender criterion is yet to find a place in policy making in the context of fiscal federalism in India. The Fourteenth Finance Commission was constituted in India in early 2013, and its perspectives about integrating gender in intergovernmental fiscal mechanisms are yet to be known.

3. Institutionalisation and Governance of Gender Budgeting in India.

Institutional innovations are an integral part of any new processes**.** The process of institutionalisation for GRB was iterative. The Ministry of Finance, Government of India, began to own the process of GRB in multiple phases. The paucity of institutional mechanisms to conduct GRB has been identified at the later stages. To begin with, the inclusion of a chapter on 'gender inequality' in the Economic Survey of India, 2000–2001 (a document prepared by the Ministry of Finance placed before parliament annually a day before the Union Budget of India) can be considered as the first step with respect to the role of institutions, i.e. the Finance Ministry, in the GRB process. This is the first visible outcome of NIPFP's involvement in gender budgeting. The chapter was prepared on the basis of the Interim Report on Gender Budgeting prepared by NIPFP for the Ministry of Women and Child Development (MWCD) and UN Women (Lahiri *et. al.,* 2000).

The next step in terms of institutionalising the gender budgeting process was to prepare the 'ex-post' analysis of union budgets, when Parliament went to recess after the budget presentation. The aim was that these lucid reports on the budgetary process could, through a gender lens, create a more informed debate on 'Demand for Grants' in Parliament. In India, after the budget presentation, Parliament goes into recess. After the stipulated recess, parliament begins to vote on demand for grants and a few are passed while some are vetoed. A 'Demand for Grant' is basically an expenditure statement and requires the approval of the Lok Sabha (lower house of parliament).

Though this was a powerful entry point in terms of the plausible institutionalisation of gender budgeting in the country, the process of engaging Parliamentarians and policy-makers in debate on gender budgeting at this point had not picked up. However, after the Interim Report, which was prepared to provide inputs into the 2000/01 Economic Survey, NIPFP also produced a series of ex-post analyis on the entire budget through a gender lens. The analysis quantified the allocations on gender into specifically targeted programmes for women, public expenditure with pro-women allocation and gendered impacts of mainstream expenditure with illustrative sex disaggregated benefit incidence analysis. Following this, in 2001 the UNIFEM South Asian Regional Conference on Gender Budgeting in Kathmandu reached a consensus to deepen the process at the provincial level in India and likewise the gender budgeting initiative in other countries in South Asia including Nepal, Pakistan and Sri Lanka. The NIPFP series of ex-post analysis continued until 2005/06, when India institutionalised the gender budgeting statement for the first time within expenditure budget documents. Since 2005/06, the Ministry of Finance has co-ordinated gender budgeting ex-post statements.

A powerful entry point in terms of institutionalisation of gender budgeting in India was created when the Ministry of Finance constituted an Expert Group on 'Classification System of Government Transactions' under the chairmanship of the Chief Economic Advisor to the government, Ashok Lahiri. One of the terms of reference of the Expert Group related to the gender responsive budgeting process and priorities at national level, worked in co-ordination with NIPFP. The Finance Minister accepted the Expert Group's recommendations on gender responsive budgeting in 2004, and it was announced in the Union Budget Speech that India would be undertaking gender budgeting for the 2005/06 Union Budget.

The Expert Group's recommendations on gender responsive budgeting was primarily twofold: developing analytical matrices; and proposing institutional and governance reforms to conduct gender responsive budgeting. Following the recommendations of the Expert Committee, an inter-departmental committee was constituted in November 2004. It is chaired by the Secretary of the Department of Expenditure in the Ministry of Finance, and the Secretary of Department of Women and Child Development is among its members. Its terms of reference include: looking at the categorisation of expenditure based on the matrices developed by the Expert Group; transparency and accountability of budgetary allocations; and effective targeting of public spending by translating gender commitments into budgetary commitments. The first meeting of the inter-departmental committee was held in December, 2004. It instructed all departments/ministries to establish a 'Gender Budgeting Cell' by 1 January 2005 and to prepare gender disaggregated benefit incidence analysis from the next financial year for inclusion in their annual reports/performance budgets, as per instructions and a checklist prepared by the MWCD in co-ordination with NIPFP. Eighteen ministry departments were also asked to submit the provisions and physical targets benefiting women in their annual reports/performance budgets. The 2005/06 Union Budget included a separate statement on gender sensitivities of budgetary allocations under ten demands for grants. It also required all departments to present gender budget statements (Chakraborty 2008). In due course, the gender budgeting statement increased to include more than 33 demands for grants. The number of ministry departments with gender responsive budgeting cells increased to 54. The gender statement also dichotomised the gender sensitive allocations into specifically targeted programmes for women (Part A) and public expenditure with pro-women allocations (Part B).

The MWCD played a major role in sub national initiatives on gender responsive budgeting. The MWCD has conducted gender budgeting exercises using NIPFP methodology in 15 major states in India. It has co-ordinated these studies through the National Institute of Public Cooperation and Child Development (NIPCCD) and has included the analysis of these studies as a separate chapter in its Annual Report since 2001.

4. Capacity Building

This phase remains a challenging one for the gender responsive budgeting process in India. A high turnover of researchers, bureaucrats, and other stakeholders of the initial process (of the period 2000–2005) acted as a significant constraint on strengthening the institutions and deepening accountability. In spite of new sets of players in various spheres, the institutionalisation process of gender within planning, budgeting, and auditing practices has not deepened. Revisiting the 2005 Lahiri recommendations on GRB and revamping the process of GRB in India is inevitable. In this section we concentrate on capacity building activities.

The capacity building initiatives have two distinct phases, 2001–05 and 2006–present. The NIPFP was active in the first phase in training various stakeholders at national and international levels. UN Women organised five regional meetings on GRB for the South Asian region in the period from 2001–05. The objective of these meetings was primarily to facilitate capacity building for conducting gender budgeting in the region. NIPFP has worked with the Government of Sri Lanka (Ministry of Finance and Ministry of Women Affairs) in conducting the gender budgeting exercise within the government, facilitated by UN Women.

The MWCD has co-ordinated with NIPFP for a Working Paper to train officials across ministries. As a result a paper, 'Integrating Gender Budgeting Within Selected Ministries, Government of India: Conceptual and Methodological Issues' was developed in 2005. This working paper has been used by MWCD in training ministry officials on gender budgeting.

The second phase of capacity building started in 2006 with a new set of players, within the ministry and outside. The aim of the workshops during this period was to support the capacity building of officials and strengthening the work of gender budget cells (GBC) within sectoral ministries and departments. The Gender Budgeting Handbook and Gender Budgeting Manual were published by the MWCD for the training programmes.

Since 2008, gender budgeting consultants in the MWCD have provided capacity building on gender budgeting. The GRB consultants placed within MWCD helped to provide support for conducting training for officials in assisting the preparation of gender budgeting statements, across sectors. The ministry's Annual Report for 2010–11 reported that over 100 training workshops on gender budgeting were held during this period.

In 2007, a charter for gender budget cells was published, which specified their functions and bureaucratic composition. The charter specified that the GBC was to be comprised of mid- to senior-level officers from the planning, policy, co-ordination, budget and accounts divisions of the concerned ministries, and was to be headed by an officer no lower than the rank of a Joint Secretary.

In 2008, NIPFP organised only two capacity building initiatives. In co-operation with UNFPA and UN Women (New York), NIPFP trained United Nations officials and other stakeholders of Asia Pacific, Arab, and CIS/CEE countries. At the sub national level, UNFPA organised a four-day training programme with NIPFP for capacity building training for the Government of Rajasthan to undertake gender budgeting. It should be noted that the NIPFP–GRB pioneering institute of the country – had no direct involvement in training officials across ministries and sectors within the government in the second phase of capacity building, except the two training programmes mentioned above.

5. Accountability Mechanisms

The accountability mechanisms for gender budgeting processes in India are yet to be cemented. An entry point for discussions along these lines began, as part of the Planning Commission's XII Five Year Plan Report of the Working Group on Women's Agency and Empowerment (2012). The NIPFP was represented in the Working Group to provide inputs. The Working Group was mandated to carry out a review, analysis, and evaluation of the existing provisions and programmes for women and make recommendations for the XII Five Year Plan. The following recommendations were suggested by the Working Group for accountability mechanisms (*see,* Government of India, 2011).

1. The Results Framework Document is an accountability mechanism that must be gender mainstreamed.
2. Evaluation and impact assessment of schemes by an external agency are a mandatory requirement for the continuation of existing schemes beyond the plan period. All impact assessment and evaluation of schemes should include impact assessment/status of gender mainstreaming.
3. At the state level, mandatory gender audits of all centrally sponsored schemes and central schemes should be undertaken.
4. A quantum leap in GRB can be achieved if gender perspectives are incorporated within the expenditure and performance audits conducted by Comptroller and Auditor General (CAG).
5. The Mid-Term Appraisal of the XII Five Year Plan should include the conducting of an independent gender assessment of all flagship programmes.

5.1 Benefit incidence

The benefit incidence analysis (BIA) is a relatively simple and practical method for estimating distributional impact of public expenditure on gender. BIA can also be conducted across different demographic and socioeconomic groups. BIA involves allocating unit cost according to individual utilisation rates of public services. BIA identifies how well public services are targeted demographically across gender, income quintiles, and geographical units. However, the gender disaggregated public expenditure benefit incidence analysis has yet to be conducted within ministries to analyse the differential impact of public expenditure on gender. This was one of the policy directives recommended by the 2004 Lahiri Committee. However, BIA research studies have been done for selected sectors like health [*For details see,* Chakraborty (2008) and Chakraborty (2006b)], though such studies are rather rare in the context of India.

6. Gender Responsive Budgeting Case Studies at Subnational Level

Relatively successful cases of gender budgeting can be documented from the state levels in Karnataka, Kerala and West Bengal. All these case studies on gender budgeting are set against the backdrop of the fiscal federalism and decentralisation processes. Despite low levels of economic growth, Kerala has demonstrated a good model for appropriate public policies and redistribution strategies which can meet the basic needs of the people. However, Kerala has failed to translate high social sector achievements into comparable achievements in the material production sectors. This has resulted in economic stagnation, growing unemployment, and an acute fiscal crisis thereby raising questions about the sustainability of the 'Kerala Model of Development'. It is in this context that democratic decentralisation, intended to accelerate economic growth and create a new model of growth with equity, has been the political response to the stagnating economy of the state in the form of 'People's Campaign for Decentralised Planning' (Isaac and Franke, 2000). Kerala has become the pioneer state in attempting gender sensitive planning and budgeting at the third tier since the introduction of *People's Planning and Democratic Decentralisation*. The feminisation of governance through the adoption of the 33 per cent gender quota created a new democratic space for local level interventions by elected women representatives. Despite the remarkable achievements in gender indicators in health and education, Kerala has been experiencing extreme marginalisation of women especially in governance and work force participation. The achievements in health and education have had no impact on the gender status (Isaac, 2004). It was in this context that the Women's Component Plan (WCP) was introduced by the state government, by earmarking 10 per cent of the state's plan outlay towards specifically targeted programmes for women. This was a proactive step to incorporate the gender perspective into the process of democratic decentralisation.

Kerala reveals a paradox in terms of gender development. The high literacy rates and the dramatic decline in fertility did not translate into rapid growth in paid employment for women or upward occupational mobility. The electoral arena of Kerala has also fallen short on women's representation. There are two avenues through which democratic decentralisation can contribute to the empowerment of women: agency of women elected representatives; and new democratic space for local level intervention by women. In 2008, the Government of Kerala started GRB by introducing gender intensive allocations in the budget. Chakraborty(2008c) analysed the State budget through a gender lens and suggested the institutional mechanisms with the purpose of collecting gender disaggregated fiscal data which had been initiated at the state level. In the 2008 budget speech, the Finance Minister of the Government of Kerala announced that the state would be piloting gender responsive budgeting and establishing an office in the Department of Finance to co-ordinate data and information. Subsequently, the selected government ministries in the state designed innovative gender sensitive programmes related to infrastructure.

In Karnataka, there has been a civil society initiative to examine whether the increased feminisation of governance could alter the public expenditure decisions at the third tier. Forty-four per cent of those elected to village panchayats are women, though the constitution provides for 33 per cent. In 2002, UN Women funded a 'building budgets from below' project aimed at addressing how women benefit from budget and the power placed in the structure of governance to enable women to direct the local economy to serve their choices. The project was implemented by the local NGO Karnataka Women's

Information and Resource Centre (KWIRC). In effect it was an action research project conducted in three phases, which investigated the extent of freedom available to women elected to self-government bodies to determine local fiscal policies (Chakraborty 2007b).

The findings of the study revealed that initially unfunded mandates created problems with regard to GRB and elected women representatives could not explore their newfound powers in influencing the local level planning and budgeting procedures to integrate gender concerns. However this was rectified in the subsequent phases through the technique of Janaagraha (community participation). In the third phase, elected women representatives were trained to analyse budgets as well as empowered to identify the spatial gender needs but their bargaining power in terms of altering the budgetary priorities remains dismal. Another major study undertaken in Karnataka analysed whether state taxes on liquor induces poverty. Rajaraman (2007) analysed whether liquor taxation had a significant impact on the consumption patterns of rural households. The study found that it induced poverty in rural households and therefore highlighted that fiscal resources to reach the Millennium Development Goals should not be achieved at the expense of the state becoming a partner in promoting the consumption of a potentially addictive substance.

In 2002, UN Women co-ordinated a study to analyse the budgetary policies of the Government of West Bengal through a gender lens. Published as 'Gender in Fiscal Policies: The Case of West Bengal', the study analysed the response of fiscal policy to the existing gender *bias* in West Bengal. The study also examined the sectoral budgets expenditure such as education from a gender perspective. The analysis broadly shows that public education expenditure of the state of West Bengal has been largely insensitive to the special needs of women. Classifying expenditures on Education and Health (budget heads) by economic categories, the study found that almost the entire amount went on wages and salaries to the staff (the share went up during the 1990s). This left very little for expansion or improvement of services.

7. Conclusions and Recommendations

7.1 Challenges and lessons learned

- It is relatively easy to identify specifically targeted programmes for women from the budgets. However, these form less than 1 per cent of total budget. Therefore the real challenge of the gender budgeting exercise lies in the analysis of the remaining 99 per cent budget through a gender lens.
- Gender disaggregated benefit incidence analysis can be a useful tool for analysing the distributional impacts of public expenditure across gender.
- Another area of policy concern is the use of time budgets and integrating the unpaid care economy into fiscal policies. Chakraborty (2008a and 2008b) analysed the implications of time-use statistics for fiscal policy making, especially investment in public infrastructure, for example the water sector.
- Equally important is integrating gender into monetary policy making. Domestic financial deregulation policies could have gender differential effects; however, hardly any study captures these effects, especially in the credit market.

- Despite the growing recognition of fiscal decentralisation in gender development, and its growing prevalence in public policy making, there have been relatively few attempts to implement fiscally decentralised policies for development in the area of gender. Decentralised gender budgeting is important especially, when almost all states have the major component of their social sector allocations at the subnational level.
- The analysis of the revenue side of gender responsive budgeting is at the embryonic stage due to lack of gender disaggregated tax data, namely direct tax, and indirect tax user charges.

7.2 Recommendations

The major recommendations for the sustainable process of gender budgeting are as follows:

- Sectoral initiatives on gender budgeting need to be given emphasis.
- The gender differential impacts of direct and indirect taxes need to be analysed.
- The attempts to frame policies to integrate the unpaid care sector in GRB need to be given priority.
- The institutional mechanisms for GRB need to be strengthened,
- Open a new head in the budget classification on 'gender development'.
- Integrate gender budgets into outcome budgets.
- Build gender disaggregated data.

The broad conclusion is that gender responsive budgeting, though it began as a promising fiscal innovation in India, has not translated effectively into policies that impact on women. GRB is not primarily an issue of additional resources for gender development, nor is it confined to specifically targeted programmes for women. Gender responsive budgeting is making the entire budgetary exercise more responsive to gender issues. India should deepen the gender responsive budgeting process by reprioritising the policies related to planning and budgeting through a gender lens to effectively translate them into better gender development.

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