Women's Day: Is India doing enough to boost Nari Shakti?

Gender Budgeting is a promising framework for ensuring women-led development. It is laudable that the narrative has shifted from women's development to women-led development

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Gender budgeting on the taxation side is equally crucial, though in many countries gender budgeting is confined to only the expenditure side. (PTI)

In Union Budget 2023, Finance Minister Nirmala Sitharaman emphasised 'Nari Shakti' as the harbinger of India's bright future. As this is the last year before India goes for elections, the government has been focusing on incentivising the 'calculus of consent' through women-led development narratives.

It is equally crucial to pitch these major announcements within the framework of long-term Public Financial Management (PFM) tools like gender budgeting to protect the fiscal vigour of these announcements – and pre-empt being labelled as just 'election freebies'. The political economy of gender budgeting is thus compelling.

Gender Budgeting is a fiscal innovation that translates gender commitments into budgetary commitments. It will be a game changer if women in India own gender budgeting as a policy tool for their 'say' in the budget. The move by NITI Aayog to make gender budgeting legally mandatory in India through Gender Budgeting Act is a welcome move in this direction. The Gender Budget Statement is an important fiscal policy tool to provide a roadmap on 'Nari Shakti' - to analyse how India spends on women. The analytical matrices and institutional mechanisms of gender budgeting have been designed by NIPFP (an independent research institute of the Ministry of Finance) and we have comparable time series data. It is high time to analyse the impact of gender budgeting on outcomes in terms of women's empowerment. The Gender Budget Statement is mandated through Budget Call Circulars.

India's women empowerment model

Against the backdrop of the G20 meeting, Nari Shakti is projected as India's model for women-led development, which other countries can emulate. Gender Budgeting is a promising framework for ensuring women-led development. It is laudable that the narrative has shifted from women's development to women-led development.

The decision for conducting gender budgeting in India also coincided with institutional fiscal reform in the country towards fiscal rules of keeping fiscal deficit-GDP at 3 percent, and phasing out the revenue deficit. Within the realm of the Fiscal Responsibility and Budget Management Act, if we analyse the trends in gender budget, it is seen that the budgetary allocation of gender budgeting has remained approximately at 4-5 percent of the total budget of India. The reasons for this stagnating proportion of gender budget need to be analysed from the angle of fiscal consolidation. If the roadmap towards medium-term fiscal consolidation is through expenditure compression rather than the revenue buoyancy path, it will affect the human capital formation and economic growth recovery processes. Even in times of revenue uncertainty and expenditure compression, gender budgeting has remained constant.

Gender budgeting is not an “ex-post” accounting exercise in India. Over the years, we have conducted “ex-ante gender budgeting” by identifying gender issues within the overall fiscal framework. Gender discrimination starts even before birth. This is reflected in the monotonic decline in the sex ratio (0-6 cohort). The government has conducted ex-ante gender budgeting by identifying this issue and formulated a programme titled “Beti Bachao, Beti Padao” (Save the girl child and educate her) and budgeted it.

Later, the government integrated gender budgeting in energy infrastructure at ex-ante levels in a prima facie gender-neutral Department of Petroleum by identifying the severity of mortality of women and children from indoor air pollution from using inferior fuels. The **Ujjwala scheme** was launched to provide clean fuel for women in low-income households. The “Nirbhaya” is yet another programme identified to ensure the safety and security of women in public spaces. However, the fiscal marksmanship of these programmes needs careful analysis, for understanding the reasons for deviations between Budget Estimates (BE) and actual spending.

Women friendly infrastructure

When the monetary policy stance is focusing on inflation containment by keeping interest rates high, the narrative of Union **Budget 2023** is to keep fiscal policy “accommodative” to support economic growth recovery through public infrastructure investment, to “crowd in” private corporate investment. One of the major assumptions of gender budgeting is that public infrastructure investment is not gender neutral. Applying a “gender lens” to infrastructure capex is crucial. The **Union Budget** 2023 has significantly increased the allocation towards Safe City Project – to provide safety to women in public spaces - from Rs 165.11 crore

(2022-23 Revised Estimates) to Rs 1,300.10 crore (2023-24 Budget Estimates). This is indeed welcome.

The gender budgeting framework allows the flexibility to innovate ex-ante identification of gender issues in India to budget it. The economic stimulus packages during the pandemic were announced with credit infusion as the major strategy. This helped women entrepreneurs to access soft credit, however lack of demand has created uncertainties. A targeted cash transfer was also designed for women in the care economy to tackle livelihood crisis. However, as economic stimulus packages were short-term in nature, gender budgeting as a long-term PFM tool found a renewed significance in post-pandemic fiscal strategy in India to tackle gender inequalities.

Similar to green bonds, announcing ‘gender bonds’ can strengthen fiscal space for gender budgeting. In the post-pandemic fiscal strategy, there is a growing recognition that economic growth per se will not translate itself into better human development.

Digital infrastructure in public finance has been announced as one of the success stories of India against the backdrop of G20. Strengthening digital infrastructure has led to financial inclusion, and also led to the elimination of “ghost beneficiaries” of the government’s flagship programmes. Access of the poor to the formal banking sector through opening accounts was a remarkable policy decision. Poor women were otherwise perceived as ‘unbankable’, though empirical evidence shows they are not ‘defaulters’. However, the digital divide in India is challenging to make digital access successful for the poor in India.

Promoting financial inclusion

The Finance Minister announced the success of financial inclusion of women through Self Help Groups (SHGs) as part of the **National Rural Livelihood Mission** in her budget speech. This is a significant move when credit is getting costlier. Though women are not defaulters, it is important to understand the intra-household power struggles to analyse how she is paying back credit. The data on repayment is generally available, however, gender disaggregated data on financial inclusion including the ‘source’ of repayment data needs to be strengthened. The source of payment can provide us inferences if women are engaging in Ponzi finance at exorbitantly high interest rates with informal credit markets to repay the formal credit and household debt is going catastrophic in times of market uncertainties.

Equally important is the financialisation of savings. The announcement of a new small savings scheme –**Mahila Samman Savings Certificate** - for a period up to March 2025, offering a deposit facility of Rs 2 lakh made either in the name of a woman or a girl for a tenure of two years at a fixed rate of interest at 7.5 per cent with partial withdrawal option is laudable, especially when India is in negative interest rate regime with mounting inflation. The negative interest rate is detrimental, as we do not get the value of what we saved either in times of mounting inflation.
Property entitlements in terms of land and other resources are crucial for women’s empowerment. An increase in the allocation for Pradhan Mantri Awaas Yojana – the rural housing scheme – with Rs 54,487 crore is welcome as this aims at strengthening the property entitlements of women. The differential tax rates for property registration also help in strengthening the access of women to land and property.

Gender budgeting on the taxation side is equally crucial, though in many countries gender budgeting is confined to only the expenditure side. Incorporating a gender criterion in intergovernmental tax transfers is crucial to provide fiscal space at the subnational government level to prioritise gender equality outcomes. If it is mandated in the terms of reference (TOR), the issue will get recognition to be integrated into the tax devolution formula. I hope the 16th Finance Commission will have a mandate on gender, just like the way climate change criterion was integrated into Finance Commission’s TOR.

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