Columns

How Much Does India Spend on its Women? Gender Budgeting Can Provide Some Answers

A budgeting framework that acknowledges the different socially-determined roles played by men and women can address gender-related concerns—and eventually pave the way to greater gender equality

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Gender budgeting is a public financial management tool for accountability. It began as a fiscal innovation in India in 2000. Gender budgeting does not mean earmarking funds specifically targeted for women. It does not mean making separate budgets for women either. Gender budgeting refers to analysing the budget through a 'gender lens' to identify gender-differential impacts. It translates the gender commitments of a country into fiscal commitments.

Prima facie, a budget may appear to be 'gender neutral'. But it can turn 'gender blind' due to differences in socially-determined systemic roles played by women and men. Moreover, women and men are at asymmetric levels of socio-economic development. For the first time, in 2000, India started thinking about these asymmetries and took the decision to apply a 'gender lens' to budgets.

First Steps

A pioneering project on gender budgeting was then commissioned at the National Institute of Public Finance and Policy (NIPFP). Prior to that, there was no systematic framework in the budgeting process to integrate gender concerns. Knowledge building—analytical matrices—and country-specific models of gender budgeting were developed by NIPFP, in the first phase of this fiscal innovation.

The study by NIPFP on 'gender diagnosis and budgeting' formed the first chapter ever on gender in the Economic Survey in 2001. The NIPFP model of gender budgeting received wider recognition. In the first regional meeting on Gender Budgeting in Kathmandu in 2001, it was decided that the NIPFP methodology of gender budgeting would be emulated by the countries in the South Asian region, including Sri Lanka. The NIPFP model of gender budgeting was documented as the best in the Asia Pacific region by the United Nations.

In 2002, the NIPFP worked with the finance ministry of Sri Lanka to prepare a model of gender budgeting, emulating the NIPFP methodology. Meanwhile, states in India have also been asked to prepare gender budgets using this methodology. These processes required institutional mechanisms to translate gender budgeting research into a public policy imperative at the national and state levels.

Institutionalising the Initiative

The second phase of gender budgeting as a fiscal innovation was to prepare institutional mechanisms. The Classification of Budgetary Transactions, a committee by the finance ministry, incorporated gender budgeting as one of its terms of reference in 2003. The NIPFP worked closely with the finance ministry in 2002 to prepare the institutional mechanisms of gender budgeting and identify analytical matrices to collate fiscal data through a gender lens. In the 2003 Union budget speech, the finance minister announced that he accepted the recommendations of the committee to institutionalise gender budgeting in India and India would begin with a gender budgeting statement in the budget from 2004-05.

Since then, the story of gender budgeting in India has been a story of sustainability and fiscal transparency by providing a statement about how much India spends on women. To strengthen the process, the finance ministry has mandated gender budgeting through the Budget Call Circular.

The third phase of gender budgeting is capacity building of officials at national and sub-national levels. The fourth phase is building accountability mechanisms to link 'resources to the results' through appropriate fiscal marksmanship analysis (marksmanship is perfect when there is no deviation between what is announced in the budget and the actual outlays) and auditing by the CAG.

Measuring Outcomes

It is interesting to recall the first ever global survey on gender budgeting by the International Monetary Fund (IMF) in 2016, when I led the project from Asia Pacific.

The gender budgeting project reached the world stage when the UN Secretary General's high-level panel on women's economic empowerment identified gender budgeting as one of the tools to ensure gender equality. At preparatory meetings in Geneva, I recall the significance with which gender budgeting was discussed and reported within the macro-fiscal framework. Over the years, *Nari Shakti* was given significance and the gender budgeting framework has been used to design new ex-ante gender budgeting policies in energy infrastructure. In recent budgets, the finance minister has reiterated India's commitment to gender equality within gender budgeting frameworks.

As the model of gender budgeting has remained the same in India at the national and sub-national levels since 2004-05, we have considerable time series (comparable) data to do an analysis of the impact of gender budgeting on gender equality outcomes. It is high time to see outcome-linked gender budgeting. IMF economists Janet Stotsky and Zaman in 2016 investigated the effect of gender budgeting in India on gender inequality and found that "states with gender budgeting efforts have made more progress on gender equality in primary school enrolment than those without, though economic growth appears insufficient to generate equality on its own". Another study on outcomes of gender budgeting in India conducted by the University of California, San Diego, found an inverse relationship between gender budgeting and violence against women. When state machinery supported women through gender budgeting, violence against women came down (an inverse linkage).

The unfinished business of gender budgeting is to strengthen the gender lens in intergovernmental fiscal transfers (IGFT) through the Finance Commissions. Will the 16th Finance Commission go 'purple', by integrating a gender lens in their tax transfer decisions to state governments by integrating a criterion on gender in the devolution formula? Papers by the Levy Economics Institute of Bard College, New York suggest that integrating gender and demographic transition variables in IGFT will enhance the progressivity of tax transfers to the states. The Finance Commission must take a call on that!

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