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Determining gender budgeting in multi-level federalism

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Abstract

Gender budgeting is a public policy innovation intended to transform governments' objectives to women's empowerment into budgetary commitments. In the multi-level fiscal federalism in India, the political economy process of gender budgeting in India has involved four distinct phases - innovative knowledge networking, building institutional structures, reinforcing state capacity and strengthening the accountability mechanisms, at national and subnational levels. Against these policy processes, we have estimated the sector-wise quantum of gender budgeting in India emphasising the statistical invisibility of the care economy. The State-wise equally distributed equivalent (Xede) estimates of gender development showed that the state of Kerala tops the scale 0-1 scoring 0.72. Though the link between gender budgeting and these Xede scores is beyond the scope of the paper, the fiscal marksmanship (the deviation between what is budgeted and the actual spending) of gender budgeting showed a mixed scenario across sectors.

Keywords: Gender budgeting, multi-level governance, fiscal marksmanship, gender inequality, inter-governmental fiscal transfers, care economy, political economy

JEL codes: H00, I3, J16, H77

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I. Introduction

In a multi-level governance structure, the political economy of gender budgeting encompasses both the fiscal and legal frameworks. The fiscal frameworks include "engendering" the taxation and public expenditure policies and in a federation like India, intergovernmental fiscal transfers (IGFT) at ex-ante (prior to policy formulation) and ex-post (after the policy formulation) levels. The legal frameworks for gender budgeting can take several forms: first, frameworks differ in unitary or federal states with multi-level governance (MLG); second, the mandate for earmarking the allocations for 'gender and development' through laws such as in the Philippines or the inclusion of clauses relating to gender budgeting-national finance laws as in Korea. Both approaches result in a heterogeneity of stakeholders, from various stages of budget from formulation to implementation in India at multiple levels of governance. The multi level of governance include national, Provincial and local levels in India.

The political economy of gender budgeting has four transitional phases (Chakraborty 2014) including: knowledge networking and model building, the development of institutional mechanisms, capacity building and accountability mechanisms. This paper analyses the political economy of gender budgeting in India and quantifies the sector-wise allocations in gender budgeting. It also explores the effects of India's form of federalism or multi-level governance on gender budgeting. In India, the system is "co-operative federalism". Unlike in other countries where there is grants devolution, in India there is tax-sharing. The 42 percent of the Centre's tax pool is shared among the States using a formula.

Gender responsive budgeting is an approach to fiscal policy that seeks to use a country's National, Provincial and local levels (three tiers) and regional i.e. state budget(s) to reduce gender inequality and promote economic growth by applying a "gender lens" to the identified problems. In India, all the three tiers – National, Provincial and local – are involved in gender budgeting. It is also an innovative approach to fiscal policy designed to transform a new concept into a tangible process, with resources and institutional mechanisms to address an identified problem (Chakraborty, et al 2017). Translating the gender commitments into fiscal commitments is the key policy objective of gender budgeting.

The paper is prepared against the backdrop of multilevel governance and fiscal federalism. Fiscal federalism per se neither good nor bad for gender equality. The interface between intergovernmental fiscal transfers – both conditional and unconditional transfers – and the institutions of multi level governnace matters for impacts of gender budgeting on gender outcomes.

This paper is organised into six sections. Section II presents the scope of gender budgeting in India taking cues from the existing public policy literature. Section III briefly explains how India's federal nature and MLG affect approaches to gender budgeting. Section IV deals with the measurement issues associated with gender inequality. Section V presents the significant elements of gender budgeting in terms of sector-wise quantum of allocation and fiscal marksmanship (fiscal marksmanship is the deviation between what is budgeted and actual spending) in India. Section VI concludes.

II. Scope of Gender Budgeting in India

Gender Budgeting is an approach that uses fiscal policy and administration to promote gender equality by trying to translate gender commitments into fiscal commitments through processes, resources and institutional mechanisms that the paper identifies working on both the spending and revenue sides of the budget (Chakraborty, 2016 and Stotsky 2016).

One important aspect of gender budgeting is that it can eliminate the statistical invisibility of the care economy. The care economy – as explained by the International Labour Organisation (ILO) – is the services for childcare, early childhood education, disability and long-term care, as well as elder care, are other areas comprising the care economy by linking gender budgeting to better measurement to production in the public and private sphere i.e. outside the market. But gender budgeting by itself does nothing to remove the statistical invisibility of the care economy, unless we identify the specific infrastructural arrangements in a specific country's care economy, and how its paid and unpaid components are arranged. The invisibility of unpaid care is a significant issue, which the United Nations Statistical Division (UNSD) through Systems of National Accounts 1993 has recognised for the first time, and extended the production boundary to incorporate the unpaid economic activity done at household and societal levels, and recommended to keep the care economy statistics as satellite accounts.

To properly measure the care economy requires an investment in improving measurement of household and societal care services in public and private sectors through time use surveys for example. One of the thrusts of gender budgeting is to eliminate the statistical invisibility of care economy and integrate in fiscal policy making. Gender budgeting has no direct implications for the measurement of home production, unless we identify the scope of public benefits by reducing the care economy burden through care economy infrastructure arrangements and release the excess burden felt in the sector .

Stotsky (2016) discusses the 3 Es, namely efficiency, externalities and equity arising out of gender budgeting, using specific country experiences. Chakraborty (2016) provides insights on the fiscal transmission of GRB in Asia Pacific countries and Chakraborty (2014) throws light on the four phases of gender budgeting which helped transform the concept into a public policy framework. In India, the mechanism of intergovernmental fiscal transfer mechanism plays a major role in providing regional states with sufficient financial resources to carry out the expenditure assignments. This is in contrast with the federations like Canada, where regional governments have their own resources both from taxes and ownership of metals etc., which makes IGT a weak tool of gender budgeting. However, in the federations where regional states lack their own resources, it will be more effective.

Anand and Chakraborty (2010) devised a formula for tax devolution into which gender sensitivity could be incorporated. Their results revealed that "engendering" the intergovernmental fiscal transfer adds to better progressivity (progressivity in transfers refer to poor regions getter more fiscal transfers than the rich provinces) in the fiscal transfers. Stotsky, Chakraborty and Gandhi (2018) also found that in India intergovernmental fiscal transfers have positive effects on gender equality outcomes.

III **Intergovernmental Transfers and Gender Budgeting in Multi-level Governance**

India has a three-tiered federal structure, with 29 state governments. Goa is the richest province in India, with a per-capita of approximately $4,156. Bihar is the poorest province, with a per-capita income of approximately $US526, as per the Central Statistical Office data for the year 2015-16 (Chakraborty Pinaki et al. 2018). In India, there are multiple channels for intergovernmental fiscal transfers [Chakraborty Pinaki et al. (2018), Isaac, Mohan, and Chakraborty (2019), and Reddy and Reddy

(2019)]. It can be broadly categorised into unconditional (or untied) and conditional (or tied) transfers. The first channel of unconditional transfers broadly consists of Finance Commission transfers. The second channel of conditional transfers consists mainly of grants through centrally sponsored schemes designed by the national government. So far, in India, gender has not been integrated as a criteria for IGT. The 15th Finance Commission of India will submit their report in November 2019, whether they design a conditional grant for strengthening gender budgeting at State level is something which we have to wait and watch. Prima facie, in a multilevel governance and fiscal federalism, designing conditional grants for gender budgeting should have positive effects on gender equality.

III.2: Engendering Intergovernmental Fiscal Transfers

In India, there are wide-ranging disparities in social and infrastructural needs among the states which can be mitigated through targeted inter-governmental fiscal transfers. Gender disparities are also a reason behind regionally differentiated growth rates. In federations, intergovernmental transfers can offset the fiscal disabilities of regional states in their constitutional jurisdictions and address horizontal and vertical fiscal imbalances. Article 280 of the Indian constitution establishes an institutional framework for facilitating transfers from the central government to the states. This body responsible is the Finance Commission, created in 1951. The core mandate of the Finance Commission, as laid out in Article 280, is to make recommendations on "the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them". Since 1951, fourteen Finance Commissions have been assembled to submit their reports to the Union government and fifteenth Finance Commission is expected to submit its final report in October 2020. Adding a gender criterion to intergovernmental (IG) fiscal transfers is a plausible method for strengthening gender budgeting initiatives at the regional-government levels. Integrating 0-6 sex ratio in the formula-based tax transfer could be a plausible approach. Another would be to integrate "gender budgeting" as a criterion in the formula with at least 7 percent weightage and allocate it to states. In the interim report of 15th Finance Commission, fertility rate is included as a criteria of devolution (Chakraborty, 2020).

IV **Measurement Issues Relate to Gender Outcomes**

The measurement issues relating to gender outcomes pose a significant challenge. In this section, we outline existing methodologies used to capture gender outcomes, although we want to go beyond measurements like the Gender Development Index (GDI), the Gender Inequality Index (GII) or measures of the unequal distribution of non-market activity as the sole potential targets for gender budgeting. Aggarwal and Chakraborty (2015) highlight the shortcomings of GDI and GII and propose an alternative methodology that can address these short-comings. However, none of the measures address gender pay gaps in market sector employment which must be considered when formulating gender budgeting to increase the women's work force participation rates; and also in providing state and market provision of care to strengthen the workforce participation by women.

The Human Development Index (HDI) is a summary measure of achievements in three key dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. The GDI measures the gender gaps in human development achievements by accounting for disparities between men and women in three basic dimensions of human development – health, knowledge (education) and living standards (UNDP Report, various years), using the component indicators mentioned previously. Further, under the GDI, the average value of each component variable is substituted with equally distributed equivalent achievements (X_{ede}), which represents the level of achievement that would, if attainted equally by men and women, be considered as valuable to the society as the actually observed disparate achievements (Lahiri, Chakraborty, Bhattacharyya, 2003).

Lahiri, Chakraborty and Bhattacharyya (2003) maintain that the equally distributed equivalent achievement X_{ede} for any variable X by giving a penalty to gender inequality in the computation is the following:

$$X_{ede} = [\, n_f (1/X_f) + n_m (1/X_m)]^{-1}$$

where, X_f and X_m are the values of the variable for females and males, and n_f and n_m are the population shares of females and males. X_{ede} is a 'gender-equity-sensitive indicator'(GESI). Under this calculation, a chosen value of 2 is for giving a penalty to gender inequality. The GDI is computed as follows:

$$GDI = \{L_{ede} + (2/3 \times A_{ede} + 1/3 \times E_{ede}) + Y_{ede}\}/3$$

Table 1 presents Provincial GDI scores in India for the years 1996 and 2006. It clearly shows that Goa, Kerala, Chandigarh and NCT Delhi have performed the best with values of 0.747, 0.745, 0.763 and 0.701, respectively in 2006. However, there has been only a marginal improvement over time for all the states. The national figures have increased from 0.514 to only 0.590 from 1996 to 2006.

Table 1: Health, Education and Income Components-wise GDI Scores

S.N.	Provinces [States/Uts]	GDI 2006				GDI 1996			
		Health component	Education component	Income component	GDI 2006	Health component	Education component	Income component	GDI 1996
1	Andhra Pradesh	0.584	0.422	0.716	0.574	0.525	0.346	0.656	0.509
2	Arunachal Pradesh	0.621	0.603	0.702	0.642	0.615	0.351	0.667	0.544
3	Assam	0.497	0.608	0.650	0.585	0.440	0.523	0.606	0.523
4	Bihar	0.536	0.377	0.524	0.479	0.474	0.274	0.449	0.399
5	Goa	0.792	0.652	0.797	0.747	0.733	0.627	0.711	0.691
6	Gujarat	0.600	0.529	0.742	0.624	0.540	0.454	0.682	0.559
7	Haryana	0.601	0.521	0.773	0.632	0.530	0.434	0.700	0.555
8	Himachal Pradesh	0.631	0.594	0.767	0.664	0.561	0.506	0.689	0.585

9	Jammu & Kashmir	0.600	0.466	0.639	0.568	0.527	0.411	0.638	0.525
10	Karnataka	0.632	0.494	0.707	0.611	0.591	0.403	0.642	0.545
11	Kerala	0.834	0.697	0.705	0.745	0.836	0.678	0.649	0.721
12	Madhya Pradesh	0.457	0.451	0.641	0.516	0.340	0.335	0.576	0.417
13	Maharashtra	0.697	0.587	0.748	0.677	0.626	0.516	0.704	0.616
14	Manipur	0.759	0.631	0.705	0.699	0.684	0.505	0.611	0.600
15	Meghalaya	0.564	0.609	0.700	0.624	0.570	0.565	0.640	0.592
16	Mizoram	0.698	0.640	0.723	0.687	0.566	0.630	0.641	0.612
17	Nagaland	0.719	0.644	0.727	0.697	0.585	0.626	0.666	0.626
18	Orissa	0.471	0.450	0.651	0.524	0.355	0.380	0.600	0.445
19	Punjab	0.680	0.558	0.749	0.663	0.634	0.479	0.701	0.605
20	Rajasthan	0.526	0.381	0.672	0.526	0.423	0.284	0.637	0.448
21	Sikkim	0.656	0.608	0.713	0.659	0.546	0.537	0.616	0.566
22	Tamil Nadu	0.684	0.559	0.722	0.655	0.589	0.469	0.671	0.576
23	Tripura	0.641	0.608	0.628	0.626	0.567	0.542	0.529	0.546
24	Uttar Pradesh	0.487	0.437	0.604	0.509	0.401	0.321	0.563	0.429
25	West Bengal	0.666	0.526	0.675	0.622	0.578	0.468	0.614	0.553
26	Chhattisgarh	0.524	0.413	0.688	0.542	0.392	0.335	0.576	0.434
27	Jharkhand	0.590	0.418	0.665	0.558	0.490	0.274	0.449	0.404
28	Uttarakhand	0.622	0.600	0.718	0.647	0.487	0.321	0.563	0.457
29	Andaman & Nicobar Islands	0.698	0.642	0.737	0.692	0.689	0.594	0.723	0.669
30	Chandigarh	0.774	0.684	0.832	0.763	0.741	0.633	0.744	0.706
31	Dadra & Nagar Haveli	0.679	0.619	0.722	0.673	0.562	0.480	0.667	0.569
32	Daman & Diu	0.716	0.660	0.654	0.677	0.546	0.458	0.624	0.543
33	NCT Delhi	0.674	0.703	0.727	0.701	0.640	0.641	0.707	0.663
34	Lakshadweep	0.728	0.627	0.551	0.635	0.757	0.636	0.589	0.660
35	Puducherry	0.721	0.638	0.759	0.706	0.774	0.564	0.645	0.661
All India		**0.573**	**0.494**	**0.702**	**0.590**	**0.490**	**0.409**	**0.643**	**0.514**

Source: Government of India (various years)

The Gender Inequality Index is an inequality index which replaced the GDI in 2010, due to the GDI's inadequate indicators, and hence the estimates. The GII measures the disparities among men and women in the following areas (a) Reproductive health assessed by the Maternal Mortality Ratio (MMR) and Adolescent Birth Rates (ABR), (b) Political Empowerment proxied by the number of parliamentary seats occupied by females (PR) and the proportion of adult females and males aged over 25 with at least some secondary education (SE) and (c) economic status expressed as labour market participation (LFPR) by both males and females over 15 years.

IV.1: Incorporating the Care Economy into Gender Budgeting with Time-use Surveys

Time-use surveys (TUSs) provide comprehensive information on how individuals spend their time, daily or weekly, on paid Systems of National Accounts (SNA) activities and unpaid extended SNA activities as per the SNA 1993.

Table 2: Time Spent in Care Economy by Men and Women in Selected States of India (hours per week)

States	Females	Males
Haryana	31.06	1.99
Madhya Pradesh	35.79	4.43
Gujarat	39.08	3.19
Orissa	35.70	4.47
Tamil Nadu	30.46	3.19
Meghalaya	34.52	7.16
Combined States	34.63	3.65

Source: CSO (2000), Time Use Survey, Government of India

TUSs was done in 1998-99 in India with the objective of estimating the labour force and the value of unpaid care work in the economy. According to Table 2, women spent about 34.63 hours a week in unpaid care work, while men spent only 3.65 hours a week. Women's care work was as high as 39.08 hours per week in Gujarat, as compared to 3.19 hours per week by men.

Table 3: Time Spent in Unpaid Care as a % of State Domestic Product (SDP) by Men and Women in Selected States of India

States	Females	Males	Total
Haryana	27.28	2.48	29.76
Madhya Pradesh	40.99	6.31	47.30
Gujarat	26.07	2.55	28.62
Orissa	34.72	4.48	39.20

Tamil Nadu	22.80	3.52	26.31
Meghalaya	38.35	11.58	49.93

Source: Basic Data, CSO (various years), Government of India

Table 3 indicates the burden of unpaid care work as a percent of the State Domestic Product (SDP). The estimates show that the care economy is as high as 49.93 percent of SDP in Meghalaya and 47.30 in Madhya Pradesh. The deficient public infrastructure and public service provisioning may be one among many determinants of this differential time use pattern across Provinces. In a fiscal federalism, effective fiscal transfer system and public service delivery can help to reduce the time stress.

V The Elements of Gender Budgeting

A few elements of gender budgeting in India include : engendering the tax reforms, inter-governmental fiscal transfers, fiscal decentralisation efforts and local budgeting, and assessing the effectiveness and feasibility of public expenditure via expenditure tracking analysis and Benefit Incidence Analysis (BIA). Adopted in 1997, the Women's Component Plans (WCP), a strategy to promote gender equality in India failed. In 2000, gender budgeting was launched.

One of the initiatives of WCP was to designate 30 percent of the developmental funds for women to promote gender equity and equality in all sectors. However, reserving 30 percent for ad-hoc policies is a second best policy choice for gender budgeting, led to the demise of WCP, and the construction of macro level gender budgeting in 2000, that is applying it to the entire budget.

V.1: Phases of gender budgeting, as a fiscal innovation

In India, National Institute of Public Finance and Policy (NIPFP), UN Women (then UNIFEM) and the Ministry of Women and Child Development (then DWCD) have been the significant in developing this fiscal innovation in a country with MLG. GRB was pioneered in India in in the path-breaking research of NIPFP in 2000-2001.

V.1.1: Knowledge Building and Networking

Investing in research and knowledge building is pivotal for the development of gender budgeting. At the time no developing country had adopted this strategy, but India invested its research and networking skills in the concept, that subsequently achieved national accreditations and validations later. NIPFP had done the pioneering study on gender budgeting in co-ordination with UN Women and the federal Ministry of Women and Child Development. The role of the NIPFP in the innovation was multiple. First, it provided an analytical framework and models to link fiscal policy stances to desired gender development outcomes. Second, this policy research institute served as the nodal agency providing policy inputs in institutionalizing the process. Third, it served as the coordinator and facilitator for capacity building for the sectoral budgetary processes of GRB, including education, health, social justice and empowerment, micro medium and small enterprises. Fourth, it highlighted the need for accountability processes. Moreover, it was necessary to take into account the federal nature of Indian MLG. The point to be noted here that pioneer in gender budgeting was Australia, a federation, in 1984 .

V.1.2: Institutionalization and Governance of Gender Budgeting in India

A good institutional mechanism is one of the most important ingredients for an effective policy implementation. The Government of

India's Ministry of Finance started with the process of institutionalising gender budgeting in phases. An urgent policy reform needed to initiate effective GB is the revival of the Gender Budgeting Secretariat, which was established within the Ministry of Finance in 2004 with expertise from Controller of Government Accounts (CGA) and NIPFP. The institutionalisation of intergovernmental relations in relation to gender budgeting is still awaited in India.

The inclusion of a chapter on "gender inequality" in the *Economic Survey of India* (2000-01) was the embryonic step in process of institutionalizing GRB as initiated by the Ministry of Finance. This can be attributed to the study conducted by NIPFP, in collaboration with MWCD and UN Women. Selected excerpts of NIPFP study was incorporated in Economic Survey as a chapter on gender. In India, prior to Budget Speech, Finance Minister meets interest groups including Women's groups, whereby gender budgeting was one of the strong demands of women's groups as well.

V.1.2.1: Analytical Matrices of gender budgeting

The theoretical framework of gender budgeting can be dichotomized into *ex-ante* and *ex-post* phases. *Ex-post* gender budgeting refers to the analysis of existing budgets through a gender lens to ascertain the differential gender impacts; whereas *ex-ante* gender budgeting refers to building budgets from below after identifying women's gender-specific needs. The components of the ex-post framework involves these components: the extent of gender allocations in public expenditure; public expenditure benefit incidence analysis and tax incidence. The public expenditure benefit incidence analysis is to analyse the distributional impacts of public spending across gender, region and social groups. Tax incidence is to analyse the distributional impacts of tax across income quintiles. In the Indian federation, the ex-post gender budget analysis begins with the identification of three categories of public expenditure: (i) expenditure 100 percent targeted specifically for girls and/or women); (ii) pro-women allocations which are the composite expenditure schemes with a female component – with at least 30 percent targeted for girls and/or women; and (iii) mainstream public expenditures that have up to 30 percent gender-differential impacts. Another important aspect of ex-post gender budgeting analysis is through benefit incidence analysis (BIA) which involves allocating unit costs according to individual utilisation rates of public services. For instance, in education sector, the public expenditure benefit incidence can be derived by using enrolment across gender. In the health sector, benefit incidence can be derived by using in-hospitalisation data across gender. This helps identify the distributional and allocational benefits of the public services.

The *ex-ante* gender budgeting process includes (i) identifying gender issues by place, sector and across various socioeconomic groups to segregate the data (ii) identifying and translating gender concerns into relevant objectives to be included in the annual budget policy and programmes for implementation (iii) defining gender strategies at the policy and programme levels, with appropriate targets to be achieved (iv) defining gender-sensitive performance indicators for all dimensions and (v) costing interventions to form the gender budget and subsequently identifying the budget as per the cost-benefit analysis.

The next step in institutionalising GB is preparing an *ex-post* budgetary report, when the parliament goes into recess after the budget presentation. The process of engaging parliamentarians, policy makers and researchers has not fully developed, despite continued efforts. The NIPFP had undertaken various *ex-post* analyses of the budget through a gender lens to quantify the allocations by gender into specifically targeted programs for women, public expenditure with pro-women allocations (at least 30 percent women specific programs), and benefit incidence analyses and expenditure tracking devices.

The single most significant entry point in institutionalising gender budgeting in India was the establishment of an Expert Group on "Classification System of Government Transactions" within the Ministry of Finance in co-ordination with NIPFP. It had two objectives: preparing analytical matrices; and proposing institutional and governance reforms to GRB. Categorising expenditure based on the analytical matrices and checking for transparency and accountability of the policies with effective targeting of public spending for gender equality are the significant components. The recommendations of this committee were accepted by the Finance Minister in 2004 and it was announced in Union Budget that India would undertake gender budgeting within the Ministry of Finance starting 2005-06. Starting in 2005-06, a *Statement on* Gender Budgeting was introduced into the budget documents by the Union Government.

In India, the Finance Commission visits all the regional States before they write the report finalising the quantum and criteria of intergovernmental fiscal transfers. The regional States/Provinces also submit the memorandum to the Finance Commission briefing their requirements. After these thorough consultative processes, Finance Commission arrives at a formula through which the fiscal transfers (unconditional) is designed. In addition to this major transfers, a few conditional grants are also designed, they are referred to as "specific purpose grants". The gender budgeting processes are not yet part of the intergovernmental fiscal mechanism in India. In India, gender budgeting initiative came separately, initiated by the national government and followed by the selected regional governments. In addition to these, a successful gender budgeting effort has happened in a Province viz. Kerala, at the local level, with the advent of fiscal decentralisation.

V.1.3: State Capacity

State capacity to undertake gender budgeting has become a crucial concern. The generation of fiscal data through a gender lens has been a tough exercise, especially in computing the sectoral unit costs and units utilised. The NIPFP was the major player in training various stakeholders at India's national government level as well as international levels, such as the UN Women's initiative that involved organising five regional meetings on GRB for South-Asian region (2000-05). NIPFP and UN Women have been indispensable to this phase, which is the most crucial element for strengthening the procedure.

NIPFP prepared a training manual for Ministry of Human Resources (DWCD) to initiate sector-intensive training in 2005. The second phase, which started in 2006 involved training the officials within and outside the ministry, i.e. capacity building for officials already in the ministries and reinforcing the working of the Gender Budgeting Cells (GBCs). GBCs are the units within each sectoral ministries identified for preparing analytical matrices for gender budgeting. More than 100 training workshops on gender budgeting were reported in the ministry's *Annual Report* in 2010-11. The State-level trainings were also conducted by the Federal Ministry for Women and Child Development. Also, a *Gender Budgeting Handbook* and Gender *Budgeting Manual* were published by MWCD for training programs. In 2007, a charter for how GBCs were to function, with rules and regulations about their composition was also published. These manuals were also used by the State governments for gender budgeting training.

IV.1.4: Accountability Mechanisms

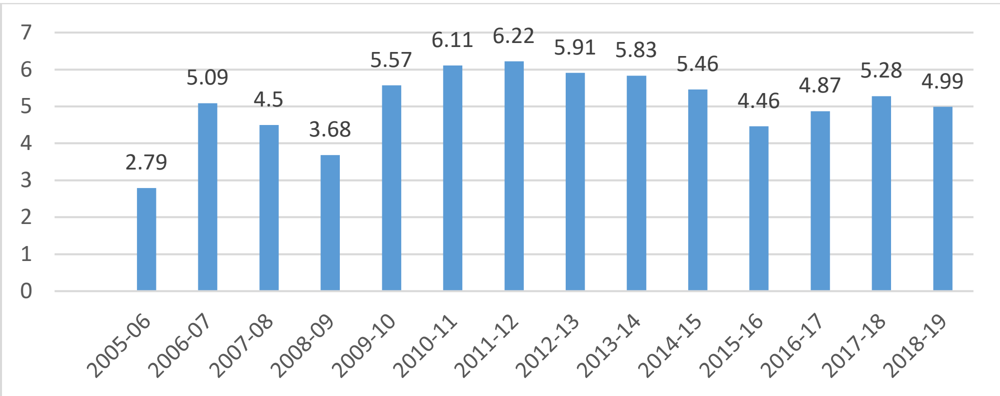
The accountability mechanisms for gender budgeting have yet to be properly established. The entry point according to the Planning Commission's XII Five-Year Plan was supposed to be a *Report of the Working Group on Women's Agency and Empowerment* (as of 2012). The NIPFP was responsible for providing inputs to the working group. The groups' functions included a full-length review, analysis and evaluation of the existing provisions and programs for women and to make recommendations for the XII Five Year Plan.

The budget circular states that each ministry and sectoral department now is required to undertake gender based analysis of specific demand for grants[2] through GBCs using a practitioner's manual[3] developed by National Institute for Public Finance and Policy (NIPFP).

V.2: Empirical Estimates of Gender Budgeting in India

It is not yet legally required to undertake GRB in India. The existing estimates based on the Ministry of finance initiatives showed that gender budgetary allocation was 4.99% out of total budget in 2018-19, as shown in Figure 1. These figures are not strictly comparable over the period of time as the number of Demand for Grants selected to conduct gender budgeting at the national level vary across years.

Figure 1: Gender Budget as a percentage of Total Indian Budget



[2] India Budget 2018-19, https://www.indiabudget.gov.in/ub2018-19/eb/stat13.pdf
[3] Chakraborty, 2005a: Gender Budgeting in Selected Ministries: Conceptual and Methodological Issues," Working Paper, NIPFP-DWCD, Ministry of HRD, Government of India, May 2005

Source: Basic Data, Expenditure Budgets, Union Budget documents (various years), Government of India

V.2.1: Fiscal marksmanship of gender budgeting

Fiscal marksmanship is the accuracy of budgetary forecasting. It can be crucial information about how fiscal agents form expectations. The significant variations between actual revenue and expenditure from the forecasted budgetary magnitudes could be an indicative of non-attainment of the objectives of fiscal policy. The difference between the budget estimates and actual expenditure gives the extent of fiscal marksmanship. Underestimation or overestimation of the budget is of critical importance in driving home the accountability of the government.

In India, budget comes in three stages, first is the Budget Estimates (BE) released during the Budget Speech. The second is the Revised Estimates (RE) after a year, and the third is the actual spending. The actual spending data comes with a significant time lag. Higher BE does not ensure higher spending. There is significant deviation between BE and RE and Actuals in India. Fiscal marksmanship analysis captures these deviations between BE, RE and actuals. Table 4 elaborates on the budgetary estimates to revised estimates ratio or the fiscal marksmanship of gender budgeting. The specifically targeted programs for women implemented by the Department of Agricultural Research and Education, the Ministry of Women and Child Development and the Ministry of Petroleum and Gas had fiscal marksmanship ratios of less than one, meaning Budget estimates were revised downward to lower Revised Estimates. In other words, fiscal Marksmanship ratio less than one show that BE is greater than the RE. The Ministry of External Affairs reported good marksmanship. The fiscal marksmanship of 1 is a perfect forecast, while other deviations are either underestimates or overestimates (Table 4).

Table 4: Fiscal Marksmanship of Gender Budgeting: Select Ministries

Ministry/ Department	Fiscal Marksmanship of Gender Budgeting (%) 2018-19
Agricultural Research & Education	0.44
External Affairs	1.00
Petroleum and Natural Gas	0.70
Women and Child Development	0.95
School Education and Literacy	1.01
Higher Education	1.06
Health and Family Welfare	1.16
Women and Child Development	0.96
Social Justice and Empowerment	1.00
Micro, Small and Medium Enterprises	1.04
Textiles	1.00

Source: Author's compilations (Basic Data from Demand for Grants, Union Budget 2018-19)

VI: Conclusion and Policy Recommendations

The political economy processes of fiscal intervention to redress gender inequality in India involve four distinct phases, viz., innovative public policy networking, building institutional structures to implement the tools identified, building state capacity and ensuring transparency and accountability. The heterogeneity of stakeholders at various entry points into the budget management processes is one of the positive features of gender budgeting in India. However, estimates revealed that the statistical invisibility of the care economy is as high as 50 percent of GSDP in some states. The care economy is not yet properly integrated into Systems of National Accounts (SNA) and in gender budgeting. Gender budgeting in terms of specifically targeted programmes is still confined to around 5 percent of Union-level public expenditure. The fiscal marksmanship of gender budgeting revealed a mixed picture across sectors. While the attempts to translate gender commitments into budgetary commitments, the lack of legal mandate to ensure this is one of the constraints that negatively affects the policy processes. The interim report of the 15th Finance Commission has integrated fertility rate as one of the criteria of tax transfers. Gender budgeting initiatives at the level of regional states would best be achieved by integrating gender as a criterion in the tax and transfer formula of the final report of Fifteenth Finance Commission expected to submit their report in October 2020.

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