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**Dr. R Nagabhushan**  
Assistant Professor,  
Department of Economics,  
Government First Grade  
College, Kuvempunagar,  
Mysore, Karnataka, India

### Gender budgeting for gender equality

**Dr. R Nagabhushan**

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#### Abstract

Gender Budgeting is a strategic approach designed to address gender inequalities by incorporating a gender perspective into fiscal policies and administrative procedures. This paper examines the necessity and efficacy of Gender Responsive Budgeting (GRB) as a tool for achieving gender equality and fostering inclusive national development. By analyzing the theoretical framework and practical implementation of GRB, particularly within the Indian context, the paper highlights the benefits and challenges associated with this approach. Key elements such as political commitment, technical capacity, and civil society involvement are identified as crucial for the successful execution of gender budgeting. Despite the progress made, the paper underscores the need for increased allocations, better targeting of funds, and enhanced accountability mechanisms to effectively bridge the gender gap in India.

**Keywords:** Gender budgeting, gender equality, fiscal policies, inclusive development, public resource allocation

#### Introduction

The progress of a nation is inextricably linked with the status of its women. By definition, when the well-being of half the society is not ensured, it cannot develop. Further, a society cannot be termed truly democratic if the status of a section of the citizenry is not at par with the rest. But, India, having ensured political democracy for all its citizens has had its limitations in achieving social democracy, which is evident in the prevailing socio-economic condition of women.

Gender Responsive Budgeting (GRB) is a globally followed practice that acknowledges the fiscal expenditure with a gender perspective and prorates funds for the gender-specific outcome to address the persistent gender inequality that hinders the overall growth and development of a nation. Gender Budgeting is a powerful tool for achieving gender mainstreaming so as to ensure the benefits of development reach women as much as men. It is an ongoing process of adopting a gender perspective in policy/programme formulation, its implementation and review. The rationale behind gender budgeting is the fact that national budgets impact men and women differently through the pattern of resource allocation. Women are a shade less than half of India's population, but they lag behind men on many social indicators like health, education, economic opportunities among others. Women warrant special attention due to their vulnerability and lack of access to resources. Hence the need for gender budgeting.

#### The concept

Gender budgeting is a strategy to achieve equality between women and men by focusing on how public resources are collected and spent. "Gender budgeting is an approach to budgeting that can improve it, when fiscal policies and administrative procedures are structured to address gender inequality. When properly done, one can say that gender budgeting is good budgeting" (Stotsky, 2016) [4].

The Council of Europe defines gender budgeting as 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."

The purpose of Gender Budgeting is threefold:

1. To promote accountability and transparency in fiscal planning;

#### Correspondence

**Dr. R Nagabhushan**  
Assistant Professor,  
Department of Economics,  
Government First Grade  
College, Kuvempunagar,  
Mysore, Karnataka, India

2. To increase gender responsive participation in the budget process, for example by undertaking steps to involve women and men equally in budget preparation;
3. To advance gender equality and women's rights.

Integrating a gender budgeting methodology into the ordinary budgetary processes allows governments to better understand how revenue and spending, and the policies guiding the budget, can have different impacts on women and men. Since gender perspectives are normally not taken into account in budgeting, budgets are often perceived as being gender neutral. However, research shows that lack of attention to gender issues actually leads to gender blind budgets and thus to suboptimal decision-making. Gender budgeting is grounded in gender analysis, which assesses how well a budget addresses gender gaps and reviews the actual distribution of resources between women and men, and girls and boys. Such an analysis also allows for the inclusion of key issues that are frequently overlooked in budgets and policy analyses, such as the economic effect of uneven distribution of unpaid work and its net economic effect on women, as well as the uneven distribution of resources within families. Sound gender analysis leads to good planning and budgeting for gender equality and economic growth. Importantly, gender budgeting is about restructuring the budget to ensure that the government is using public resources in a way that can increase gender equality and thereby increase the efficiency and effectiveness of budgets and policies. This in turn helps accelerate inclusive and sustainable growth.

#### **Enabling factors for gender budgeting**

Effective implementation of gender budgeting requires political commitment matched with a technical capacity for gender mainstreaming. Engaged leadership is of particular importance to ensure that gender equality is integrated into the planning and budgeting processes and that public budget revenues and expenditures benefit women and men equally.

Key enabling factors for gender budgeting include:

- Political will and political leadership
- High-level commitment of public administrative institutions;
- Improved technical capacity of civil servants;
- Civil society involvement;
- Sex-disaggregated data.

#### **How does gender budgeting work?**

In order to put in place an effective implementation of gender budgeting, some common elements should be present:

- Analysis of budgets and policies from a gender perspective;
- Linking gender budgeting to overall gender equality objectives;
- Restructuring budgets and amending policies;
- Integrating gender perspectives throughout the budget cycle;
- Monitoring and evaluation of achievements;
- Transparency of the budget process;
- Participation in the budget process.

#### **Why is gender budgeting important?**

Gender budgeting is not a special approach to budgeting or even an add-on to budgeting. Rather, gender budgeting is an

approach to budgeting that can improve it, when fiscal policies and administrative procedures are structured to address gender inequality and women's development needs. When properly done, one can say that gender budgeting is good budgeting (Stotsky, 2016) <sup>[4]</sup>.

There are several important principles underlying a high-quality budget process. Modern standards of public financial management include principles such as performance orientation, transparency, accountability, participation, etc., that can only be applied if a gender perspective is integrated.

- **Accountability:** Since an important part of gender budgeting is analysing the impact of budgets on women and men, it is also considered to be an important part of monitoring how the budget is working towards meeting gender equality goals in a country. Researchers therefore consider gender budgeting to be 'a mechanism for establishing whether a Government's gender equality commitments translate into budgetary commitments'. Applying gender budgeting will therefore make governments accountable for their gender policy commitments. Here civil society and the media play a crucial role in monitoring and holding the government accountable for their budgets. The Women's Budget Group in the United Kingdom is a good example of this.
- **Transparency:** If applied in a systematic manner, gender budgeting can contribute to increasing participation in the budget process and thereby also increase transparency. Increased participation in the budget process can be achieved by establishing a practice of public consultation and participation in budget preparation, or of public participation in monitoring the budget.
- **Performance and results orientation:** Results-based budgeting brings strategic planning and public finance management closer together by linking policy targets and objectives more closely with budgets. This is done by defining targets, objectives and activities and establishing a functioning monitoring system based on performance indicators to measure progress towards reaching the objectives. A true performance-oriented approach only happens when gender budgeting is integrated in performance budgeting. This is because gender budgeting provides evidence on performance from gender perspectives that will promote the most effective and efficient allocation of resources and implementation of policies.
- **Effectiveness:** Gender budget analysis contributes to improved information on the potentially different situations and needs of women and men, as well as on distributional effects and the impact of resources on women and men. Thus, gender budgeting provides the basis for better and more evidence-based decision-making. This in turn contributes to ensuring that public funds are being used more effectively.

#### **Gender budgeting: Status in India**

Gender gaps persist in education, employment, entrepreneurship and public life opportunities and outcomes. Gender budgeting is a way for governments to promote equality through the budget process. The concept is not foreign to Indian budgeting exercises as it was introduced for the first time in the 2001 Union Budget with a vision to address the massive gender inequality in India. Since 2005,

the union government releases the Gender Budgeting Statement consisting of two parts. The first part reflects the women-specific schemes in which 100 percent allocation is only for women. The second part reflects pro-women schemes in which 30% of the allocation is earmarked for women.

- India has been producing a Gender Budget Statement (GBS), as part of the Union Budget since 2005-06. Yet even today, the gender budget is less than 1% of the GDP. In this article, we make a call for increasing the size of the gender budget, making women-focussed expenditure more targeted and enhancing GRB efforts at the State level.
- GRB has shown a slow, phased uptake across the country over the last few decades. The quality of the GBS improved with the inclusion of targets. The recent creation of Gender-budget Cells at the central and state-level provided dedicated resources for this exercise. Most importantly, the Ministry of Women and Child Development (MWCD) released a Handbook on Gender Budgeting in 2015, which provides exhaustive guidance for operationalizing GRB in practice. The adoption of GRB has shown positive impacts. States with gender budgeting showed significantly greater reduction in spousal violence between 2005-06 and 2015-16 than those without it. It has also been linked to increased primary school enrolment for girls in India.
- Yet – two key issues continue to pose a concern: first, the overall quantum of the gender budget is still less than 1% of the GDP and remains concentrated in very few sectors; and second, monitoring and implementation remains inadequate due to lack of accountability mechanisms.

#### Insufficient Allocation

- The total resource envelope dedicated to the gender budget in 2018-19 amounted to INR 1,317 billion, 4.7% of the total budget expenditure, and just 0.63% of GDP. The gender budget was, on average, about 5.2% of the total expenditure, and about 0.7% of the GDP, over the 2008-09 to 2017-18 period.
- Over the last decade four ministries – Rural Development, Education, Health and MWCD have received between 85-90% of the Gender Budget expenditure. Flagship government schemes that received maximum allocation in 2018-19 were the National Rural Employment Guarantee Scheme (15%); Pradhan Mantri Awas Yojana (14%); Anganwadi Services (9%); Samagra Shiksha Abhiyan (8%); and the National Rural Health Mission (5%). This pattern of allocations suggests a concerning concentration of funds in a few sectors, as opposed to a widespread gender balanced budget.

#### Inefficient implementation

Though it is mandatory to release the GBS, there are no accountability mechanisms mandating impact assessment of allocations for female beneficiaries. About 16 states in India currently undertake GRB, however, the quality of statements produced, and allocation undertaken vary significantly by State, owing to inadequate training for government officials.

Kerala stands out as a successful early adopter of GRB. The State set up a Gender Advisory Committee in 2008, as a

nodal agency for coordinating the preparation of the GBS. It also conducted a gender audit of two flagship schemes, one for protecting women from domestic violence, and another for skill training. Most notably, efforts have been made for gender-disaggregated data collection to promote gender planning at local government bodies.

#### Recommendations

**1. Increase allocations for women focussed programmes:** India's ranking on the Global Gender Gap Index fell from 87 (2016) to 108 (2017) in just one year. Several international surveys continue to rank India as one of the worst places to be a woman. Despite an ambitious road map and MWCD's commitment to GRB at the national level, the Central government's gender budget has never been more 1% of India's GDP. There is a pressing need to prioritise women's safety, education, health, and workforce participation; which necessitates a significant increase in allocations.

**2. Improve targeting:** Funds need to be targeted towards priority sectors, which suffer from the deepest gender inequalities. These sectors should be determined by rigorous research to ensure that targeted spending creates a virtuous cycle, and has a multiplier effect on women's living standards.

**3. Create a ranking for state-level gender budgets:** Akin to the ease of doing business ranking, States should be ranked on the quality of gender budgets, impact analyses, and gender audits of these allocations. Capacity building and technical support should be provided to State-level Gender Budget Cells by MRCD for this exercise.

**4. Improve accountability:** In line with the recommendations of the Planning Commission's Working Group on Women's Agency and Empowerment made in 2012, it is recommended that the Outcome Budget should be gender mainstreamed. Gender audits of centrally sponsored schemes and flagship programmes should be undertaken to measure impacts. This also necessitates increased efforts for the collection of gender disaggregated data at national, state and district levels.

#### Conclusion

Gender Budgeting is an essential instrument for establishing gender mainstreaming within government policies and assigning clear responsibilities, making governments accountable for their gender policy commitments. Gender budgeting emphasizes that the needs of women and men alike ought to be taken into account. When designing budgets, revenue and expenditure must ensure that equality between women and men is encouraged. Gender budgeting increases the quality and accuracy of policy decisions, increases the transparency of administrative actions and contributes to a greater acceptance of the citizens' measures of policy. Countries such as Austria, Belgium, Mexico, Norway and Spain have the principles of equality enshrined within their constitution. Austria in particular has included gender budgeting as a requirement for all levels of government since 2009. Although Indian Constitution guarantees equality to men and women, as far as the Gender budgeting is concerned, India spends less than one percent of GDP on gender specific issues. India needs to increase its

budgetary allocation for women specific programmes in order to make the budget more and more gender responsive.

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