

## **Gender budgeting for women-led development?**

### **A comparative analysis of Kerala and India**

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#### **Introduction**

Women's role in economic development has undergone various transitions through the years. Making up approximately 50 per cent of the total population (UNDESA, 2022), it has been well established in the literature that women's empowerment plays a significant role in shaping economic development. Despite a lot of advancements in terms of health, education, and labour-force participation, women lack in many of these indicators compared to men creating inequitable growth. Thus, gender equality has become one of the Sustainable Development Goals (SDGs).

According to the 2022 SDG Report, except for Argentina, Namibia, Norway, and Sweden, all the other countries have yet to accomplish the SDG 5 of gender equality. Many countries fall behind the targeted progress in gender equality indicators such as mean years of education received, labour force participation rate, family planning by modern methods and seats held by women in the national parliament. Achieving gender equality by 2030 is possible through the government's concerted efforts through specific policies designed for equitable growth and distribution. The implementation of a gender responsive budgeting is considered as an important policy response for achieving gender equality. GRB or GB (gender budget) is a fiscal innovation that administers a 'gender lens' to translate gender-equality objectives into fiscal commitments for the promotion of economic growth and equitable development (Chakraborty, 2014; 2019). These are not separate budgets for women but are a tool ensuring that gender mainstreaming happens in the planning of national and departmental budgets (Mehta, 2007).

India first implemented its gender budget in the year 2005-06. Since then, the discussions on the importance of such a budget have brought the problem of gender inequality to the forefront and have attempted to unite the Ministries of the Indian Government to partake in working towards equitable growth. Regardless, there still exists gender disparities in the various aspects of life, such as equal access to education, health, political representation, and employment (Sachs et al, 2022). These are reflected in India's low ranking (135th) of the Global Gender Gap Index 2022 compared to that of its developing contemporaries such as Bangladesh (71st), Nepal (96th) and Sri Lanka (110th) (World Economic Forum, 2022).

The COVID-19 pandemic further aggravated the gender gap, as women have been disproportionately affected, and their recovery from the pandemic has been slower (De Paz et al., 2020). In this context, it is important to scale up the allocations for women-specific schemes to ensure gender equality. In the latest budget presentation, the theme of inclusive development and a 'women-led' development was highlighted by the Union Finance Minister, Nirmala Sitharaman. This study analyses gender budgeting allocations for the last seven years. An attempt has been made to compare the Union governments gender budgeting allocations with that of Kerala. Among the states, Kerala was one of the first to implement gender budgeting, even before the Union government. It began at the local government level in the year 1998 and from 2008-09 the state budget began reflecting a gender budgeting process (Nishanti, 2020). Kerala has also ranked first in the SDG India Index 2020-21 and can be deemed a state that frequently leads in various human development goals amongst the other Indian States (NITI Aayog, 2021). Such a comparison would help in learning from each other's strategies for efficient allocation of resources. Further, this study juxtaposes gender budgeting allocations with the broader analytical approaches (Women in Development (WID), Women and Development (WAD), Gender and Development (GAD)) used in gender economics to reflect on the efficacy of allocations for achieving gender equality.

This paper is divided into six sections. Section 1 provides the background and the objective of the paper. Section 2 discusses the three main approaches to gender economics. Section 3 begins with a broad overview of the latest Gender Budget 2023-24 with key highlights. Section 4 includes the comparison of the expenditure pattern analysis of GB between the Union and Kerala. In Section 5, the analysis is focused on the role of GB during the pandemic and Section 6 provides the conclusion.

### Analytical framework

Women's role in the process of economic development is thought to have evolved from 'not being considered' to 'being involved in the decision making'. Their involvement has undergone various transitions since the 1970s. Initially, women were considered in the process by merely integrating them into the existing framework of development, which was mainly patriarchal. Such an approach did not question the conventional system and integrated women only through income-generating activities. They were merely added to the mixture without much consideration. This is defined as the 'Women in Development' (WID) approach. The 'Women and Development' (WAD) approach that came subsequently did not differ much from its predecessor. Women were encouraged to participate in income-generating activities as a means of cheap labour in the market and were many times organised into self-help groups. An improvement from the previous two approaches is that of the 'Gender and Development' (GAD) approach that was propounded around the 1980s. It aims at a more holistic perspective of development and identifies socially constructed notions as the cause of women's subsidiary status (Roberts, 1979; Rathgeber, 1990; Benería, Berik, & Floro, 2016). The three approaches can be juxtaposed with the structure that the government has adopted for the GB and find whether it really has embodied a 'women-led' development. Although GAD has not been fully achieved, it is the ideal framework to promote women-led development if applied to GB.

Gender budgeting comprises of two parts (A and B), and it is required that the Ministries and departments highlight the amount of expenditure appropriated for each of the parts. Part A includes programmes with 100 per cent provisioning for women (mainly women-specific schemes), and Part B includes programmes with at least 30 per cent provisioning for women (pro-women schemes). The proportion of allocation of the two parts forms the composition of GB and can reveal the inclination of public expenditure. The proportions of Part A and B can have three cases (Table 1A & 1B).

**Table 1A:** Classification of GB composition into WID, WAD and GAD

Case no:	Composition of GB	Corresponding Framework
1	Part A < Part B (lower proportional allocation on Part A)	WID
2	Part A = Part B (balanced proportional allocation)	WAD
3	Part A > Part B (higher proportional allocation on Part A)	GAD

**Table 1B:** Classification of change in GB % of TB into WID, WAD and GAD

Case no:	Change in GB % of TB	Corresponding Framework
1.1	Decreasing GB %	WID
2.1	No change in GB %	WAD
3.1	Increasing GB %	GAD

Each case corresponds to one of the three major frameworks in gender economics, as shown in Table 1A. This classification has been done based on the extent of including women in the gender budgeting process. Cases 2 and 3 are favourable towards public expenditure on Part A and indicate that government is supportive of women specific programmes and schemes. Case 1 depicts lesser favourability shown by the government towards such programmes and schemes. Similarly, the proportion of GB out of the total budgetary expenditure can also be discussed with this framework. Table 1B shows the change in the percentage of GB out of TB with its corresponding framework. Therefore, the goal of eradicating gender inequality through the implementation of an impactful and robust GB could be achieved if the government is able to increase their expenditure on programmes and schemes that greatly benefit women.

### **Gender budget 2023-24: Key highlights**

#### *The union*

The Union Budget 2023-24 has aimed at empowering women economically. This comes as a part of the inclusive development goal which is one of the Saptarishis or seven principles that India's Finance Minister, Nirmala Sitharaman, has endorsed in the budget. In her budget speech, she has emphasised on the importance of women power for a 'women-led development' (Khullar, 2023). Some of the key highlights for the allocations for gender budget are as follows. The success of Deendayal Antyodaya Yojana National Rural Livelihood Mission (DAY-NRLM) launched by the Ministry of Rural Development (MoRD). It has made possible to mobilise rural women into 81 lakh self-help groups. The next step of advancement is the formation of large producer enterprises or collectives with several thousands of members each. Another highlight is new Mahila Samman Saving Scheme, a one-time small saving scheme for women that will be available till March 2025 and offer a fixed rate of interest at 7.5 per cent. All the deposits can be made in the name of a woman or a girl child. The maximum deposit amount is kept at Rs 2 lakhs with partial drawing facility.

A lot of attention has gone on DAY-NRLM, and this shows extensive participation of the MoRD towards Gender Budgeting which is translated as a higher allocation of funds for the same. The highest allocation was made by the MoRD of about Rs 0.89 lakh crore and some of the other major allocations were made by the Ministry of Health and Family Welfare followed by the Department of School Education and Literacy, Ministry of Housing and Urban Affairs and finally the Ministry of Women and Child Development (Rs 0.20 lakh crore). The allocation for the latter has been planned mainly for Mission Shakti (Part A) with 'Sambal' and 'Samarthya' as the two sub-schemes that work for women's safety and security and women empowerment respectively. Other allocation towards women-specific programmes have been planned towards National Commission for Women and other schemes funded from Nirbhaya Fund etc. The Part B of the contribution focuses on Saksham Anganwadi and Poshan 2.0, an Integrated Nutrition Support Programme and Mission Vatsalya that provides a monthly grant of Rs 4000 per child for a family-based non-institutional care.

### *The state of Kerala*

A Department-wise analysis of Kerala's Gender Budget shows that the highest planned allocation was made towards the development of various social communities in the state. Much of the allocation was made towards the development of the Scheduled Caste (Rs 29489 lakhs) community followed by the Scheduled Tribe (Rs 6626 lakhs). These also include the allocations set aside for DAY-NRLM. The next big allocation was towards rural development within which Rs 26000 lakhs has been allocated for Kudumbashree followed by MGNREGP (Rs 23010 lakhs) and Rs 6500 lakhs for DAY-NRLM. Both the State and the Union Budget have attempted to direct the funds allocated for Gender Budget towards rural development and empowering women in the rural areas. Expenditure on Medical & Public Health and Education was also found to be prominent. Although they are not as large as compared to the previously mentioned agendas.

### **Analysis of gender budgeting expenditure: Union vs Kerala**

A primary question this article raises is whether India has indeed shifted to a women-led approach which is important for more equitable growth and inclusive development. To help answer this, an analysis of the GB expenditure of the Union government is performed in comparison with Kerala. For comparison, Table 2 and Table 3 have been shown that provide

necessary information on GB allocations made by the Union and the state of Kerala. The analysis is divided into four themes where the amount of allocation for GB, the percentage of GB out of the TB and Total State Plan Outlay (TSPO), the composition of GB and lastly, a comparison of the growth rates of GB and TB is done for the Union and Kerala government.

**Table 2:** Summary of expenditure- Gender budget and total budget (Union)

Item	Part A (100% funds for women)	Part B (At least 30% funds for women)	Total Gender Budget (A+B)	Total Budgetary Expenditure
In Lakh Crore				
2017-18 Actuals	0.29	0.64	0.93	21.42
2018-19 Actuals	0.24	0.91	1.15	23.15
2019-20 Actuals	0.27	0.99	1.25	26.86
2020-21 Actuals	0.23	1.29	1.52	35.1
2021-22 Actuals	0.96	1.13	2.1	37.94
2022-23 Revised Estimates	0.91	1.28	2.18	41.87
2023-24 Budget Estimates	0.88	1.35	2.23	45.03
Growth Rates				
2018-19 Actuals	-17.24	42.19	23.66	8.08
2019-20 Actuals	12.5	8.79	8.7	16.03
2020-21 Actuals	-14.81	30.3	21.6	30.68
2021-22 Actuals	317.39	-12.4	38.16	8.09
2022-23 Revised Estimates	-5.21	13.27	3.81	10.36
2023-24 Budget Estimates	-3.3	5.47	2.29	7.55
Pre-pandemic	-6.52	27.09	17.98	18.26
Post- pandemic	102.96	2.11	14.75	8.67
Total Period	48.22	14.6	16.37	13.46
Ratio of total GB growth				
rate and total Budget		1.22		
Expenditure growth rate				

Source: Ministry of Finance, Government of India

**Table 3:** Summary of expenditure- Gender budget and total budget (Kerala)

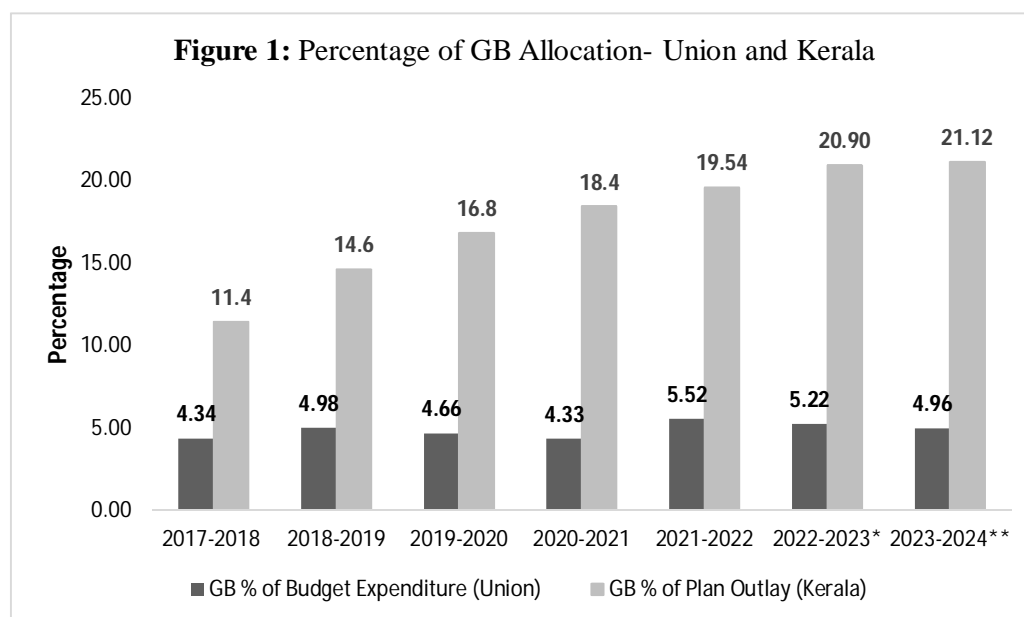
Item	Part A (100% funds for women)	Part B (At least 30% funds for women)	Total Gender Budget (A+B)	Total Budgetary Expenditure
In Lakh Crore				
2017-18 Actuals	0.009	0.014	0.023	0.2
2018-19 Actuals	0.013	0.02	0.032	0.22
2019-20 Actuals	0.014	0.025	0.039	0.23
2020-21 Actuals	0.015	0.023	0.038	0.21
2021-22 Actuals	0.013	0.027	0.04	0.21
2022-23 Revised Estimates	0.016	0.03	0.047	0.22
2023-24 Budget Estimates	0.015	0.032	0.047	0.22
Growth Rates				
2018-19 Actuals	44.44	42.86	39.13	10
2019-20 Actuals	7.69	25	21.88	4.55
2020-21 Actuals	7.14	-8	-2.56	-8.7
2021-22 Actuals	-13.33	17.39	5.26	0
2022-23 Revised Estimates	23.08	11.11	17.5	4.76
2023-24 Budget Estimates	-6.25	6.67	0	0
Pre-pandemic	19.76	19.95	19.48	1.95
Post- pandemic	1.16	11.72	7.59	1.59
Total Period	10.46	15.84	13.53	1.77
Ratio of total GB growth rate and total Budget		7.65		
Expenditure growth rate				

Source: Ministry of Finance, Government of India

Table 2 summarises the expenditure by the Union government on GB as a part of TB and Table 3 shows the same for the state of Kerala. The two tables show that total budgetary expenditure for the Union has almost doubled from Rs 21.42 lakh crore in 2017-18 to Rs 45.03 lakh crore in 2023-24 (BE) with an annual average growth of 13.46 per cent. In comparison, the TSPO of Kerala has fluctuated between Rs 0.20 lakh crore to Rs 0.23 lakh crore; this year, it is Rs 0.22 lakh crore, with an annual average growth rate of 1.7 per cent. The growth of budgetary expenditure for Union government is 7.6 times higher than Kerala. During 2018-19 to 2023-24, the growth of allocations for gender budgeting is 16.4 per cent and 13.5 per cent for union government and Kerala respectively. It is encouraging to note that growth of allocations for gender budgeting is greater than total budget expenditure in both Union budgets and Kerala budgets. However, it is important to highlight that gender

budgeting growth is 7.6 times higher than state plan outlay in Kerala while it 1.2 times higher than total budget expenditure in union budgets.

The observed difference in growth rates of allocations are evident from Figure 1. The percentage of GB out of the total budget expenditure for the Union hovers around 4 per cent to 5 per cent since 2017-18. On the other hand, Kerala has performed better with an increase in the percentage of GB of the total plan outlay from 11.4 per cent in 2017-18 to 21.12 per cent in 2023-24 (Figure 1). Kerala has almost doubled the share of GB allocation during the last seven years. From the observed patterns, it is plausible to infer that that Kerala has been actively pursuing GAD strategy while Union government has adopted WAD strategy (Table 1B & 2). The comparison of trends pre-pandemic (2017-2020) and post-pandemic (2021-23) further indicate that the share of GB allocations in budgetary expenditure of union government before pandemic was 4.5 per cent, which increased marginally to 5.5 per cent. On the contrary, post-pandemic GB allocations have increased by 5 percentage points compared to pre-pandemic allocations (Figure 1).



Source: Ministry of Finance, Government of India and Finance Department, Government of Kerala

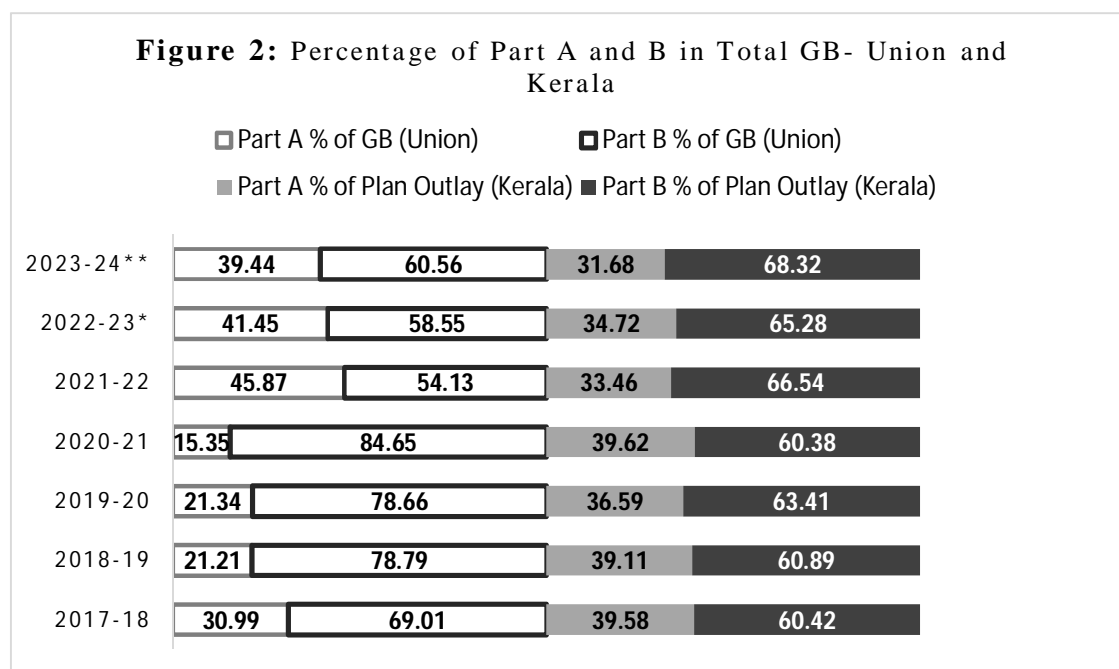
Note: \*Revised Estimates, \*\*Budget Estimates

The composition of GB components also tells a lot about the nature of expenditure made by the institutions towards gender equality. As per Table 2 (Union) and Table 3 (Kerala), an increase in expenditure can be observed for Parts A and B. Although there are fluctuations in the amount of spending made by the Union, as seen in Table 2, there has been an increase for



the two parts over time. Part A has increased from Rs 0.29 lakh crore in 2017-18 to Rs 0.88 lakh crore in 2023-24 BE, with an annual average growth rate of 48.2 per cent. During the same period, the allocation for Part B has increased from Rs 0.64 lakh crore to Rs 1.35 lakh crore with an annual average growth rate of 14 per cent. The analysis of the observed trends pre-pandemic and post-pandemic reveal interesting patterns. The growth of allocations for Part A before the pandemic was -6.5 per cent, and it increased to 102 per cent after the pandemic due to 317 per cent growth in 2021-22. The growth rate of Part A is negative if we discount for 2021-22. The growth of Part B before the pandemic was 27 per cent, and it declined to 2.1 per cent after the pandemic.

In Table 3, Kerala's spending for Part A and B has increased despite minor fluctuations. Part A has increased by Rs 0.006 lakh crore from 2017-18 to 2023-24 BE. Part B has increased by Rs 0.018 lakh crore since 2017-18. During the period under consideration, the annual average growth rate of Part A was 10.46 per cent compared to the 15.83 per cent growth of Part B. The growth of allocations for Part A and B was 19 per cent before the pandemic, and it declined to 1.1 per cent and 11.7 per cent, respectively, after the pandemic.



Source: Ministry of Finance, Government of India and Finance Department, Government of Kerala

Note: \*Revised Estimates, \*\*Budget Estimates

A major inference that can be made is how both governments channel their budget more towards Part B than Part A, though there is a shift in expenditure towards part A after the

pandemic. The increase in the amount spent is higher for Part B and this observation is reinforced when computing the percentage of expenditure made on the two parts out of the total GB for both governments (Figure 2). In the case of Union Budget, the share of part A in total gender budget allocations shows a 50 per cent decline from 30.99 per cent in 2017-18 to 15.35 per cent in 2020-21. During the pandemic government responded with various policies which resulted in a substantial increase in the share of part A to 45.8 per cent, notwithstanding a decline thereafter. On the contrary, the share of Part A in Kerala's gender budget allocations remained stagnant at 39 per cent before the pandemic and declined thereafter to 31.68 per cent in 2022-23. Though the share of Part A in Kerala's GB is higher than Union budgets before the pandemic, the trend reversed after the pandemic. The observed trends clearly indicate that both Union and Kerala have not been sufficiently following the GAD framework. This is because allocations to Part A have remained lesser than Part B leading to Case 1 which corresponds to the WID framework. In addition, decreasing share of Part A in gender budgeting especially after the pandemic could pose a severe challenge to bridging the gender gaps aggravated by the pandemic.

### **Gender budget and COVID-19**

In this section comparison is done between the Union and Kerala in terms of its GB allocations during COVID-19 that caused massive devastation and brought majority of the economic activities to a halt. The role of GB is questioned to see if it has played an active part during this difficult phase. For this purpose, we analyse the tables and figures with a focus on the year 2020-21.

In Table 2 it can be seen that while the expenditure of the Union GB has steadily increased from pre to post-COVID. Comparatively, the same for Kerala (Table 3) has not seen much change between Rs 0.039 lakh crore (pre-COVID) to Rs 0.040 lakh crore (post-COVID). But the amount allocated is not sufficient. Figure 1 shows how the percentage of GB out of TB has increased for Kerala while the Union experienced a slight dip in the allocation for the year 2020-21. Even the post-COVID increase for the same was minimal. Another interesting inference can be made from Figure 2 for the year 2020-21. When COVID was at its worst the Union had allocated only 15.35 per cent of its GB towards Part A, unlike in Kerala where during pandemic percentage of allocation of Part A had seen a slight increase from 36.59 per cent to 39.62 percent. During the 2020-21, the growth rate of GB and TSPO had fallen for

Kerala and had even become negative while the Union had seen a rise in the growth rate of both the GB and TB.

Both governments have not been able to successfully adopt the GAD framework because their GB has not been resilient during the time of utmost importance. Although Kerala is known as a state with good human development indicators, the growth of the allocation towards the GB has not been satisfactory during COVID-19. Even the Union government reduced its allocation towards Part A in the same year when women would have needed more fiscal support.

### **Conclusion**

The use of gender budgeting as a fiscal tool is not only essential for promoting gender equality but also for challenging conventional norms that restrict women's participation in society. This study examines the allocation patterns of gender budgeting for women-centric schemes (Part A) and pro-women schemes (Part B) in the Union and Kerala budgets from 2017-18 to 2023-24. Through the lens of gender and development, this study evaluates whether gender budgeting in India adheres to a 'women-led' development that incorporates the GAD or at least the WAD framework.

The findings reveal that the annual average growth of gender budget allocations is higher than the total budget expenditure in both Union and Kerala budgets. However, Kerala's average growth of allocations for gender budgeting is seven times higher than that of Union budget allocations. The results indicate that Kerala has attempted to follow the GAD approach at the aggregate level as the share of gender budget allocations in total plan outlay has doubled in the last seven years. Conversely, with a constant share, it is possible to infer that the Union government has followed the WID approach.

The allocation composition is crucial for achieving gender equality. Despite a significant increase in funds for Part A after the pandemic in the Union Budgets, pro-women schemes continue to receive a larger share than women-centric schemes in both Kerala and Union budgets. Moreover, the decreasing share of Part A after the pandemic is concerning as it suggests that neither the Union government nor Kerala has shifted towards the GAD approach. Given the increased gender gaps due to COVID-19 and the goal of achieving gender equality by 2030, transitioning towards such an approach is imperative.

In conclusion, gender budgeting is indispensable for promoting gender equality and challenging gender norms. While the study found promising trends, it also highlights the need for a greater focus on women-centric schemes and a shift towards the GAD approach for achieving gender equality by 2030.

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