

## **BUDGET 2004 – THE NCW MEMORANDUM FOR THE UNION FINANCE MINISTER**

The National Commission for Women has held wide consultation with experts from different parts of the country and with civil society organizations on the forthcoming budget.

**The Commission wishes to place before the Union Finance Minister the following demands for consideration while presenting the Budget-2004.**

The following eleven issues calling for your attention have been prioritized from among several others and have the unanimous approval of the entire Commission.

The nature of demands included here can be broadly classified as those which have a direct bearing on –

|   |     |
|---|-----|
| ● Women's health  | — 1 |
| ● Basic village infrastructure                                | — 2 |
| ● Rural environment   | — 1 |
| ● Women's economic empowerment                                | — 1 |
| ● Families of difficult and unreached sections of our society | — 2 |
| ● Women's political empowerment                               | — 1 |
| ● Women at large through macro economic policy                | — 3 |

The objective of the above classification of the demands is not to put them in water tight compartments. When implemented these demands will have an impact across the board to all women and to the economy as a whole.

### **1. In 300 districts achieve Maternal Mortality Rate of 2 per thousand live births.**

#### Action required

- Link every habitation in these 300 districts to the nearest PHC with an all weather road.
- Provide nutritional supplements (sprouted beans, coarse grains, milk and such other locally sustainable) through village health workers or volunteers from conception to post partum for all BPL pregnant women.
- Make panchayats authenticate this activity.

### Critical remarks

- No new outlay required – re-focus existing PHC based programmes, PMGSY on women and children’s health needs.
- Select those 300 districts where current MMR is high

### **2. In every habitation in the country provide access to sustainable supply of water**

#### Action required

- Panchayats to report to District Collectors on habitations in their limits which have no sustainable supply of water.
- DM/District Collector to divert Accelerated Rural Water Supply Programme (ARWSP) and Pradhan Mantri Gramodaya Yojana (PMGY) – Rural Drinking Water (RDW) to immediately cover the habitations on receipt of claim.
- A local Task Force comprising of the Block Development Officer, the Sarpanch, elected women representative, and two women from every habitation to certify claim of authorities on coverage of sustainable water supply.
- The Swajaldhara Scheme in the selected 67 pilot districts should be audited by a Task Force (for composition see previous point). This Task Force should assess issues of sustained supply, operation and maintenance. The report of the Task Force on Swajaldhara should reach the FM and the National Commission for Women within 6 months of the budget. Post the report Swajaldhara should be expanded to cover other drought prone districts, with necessary amendments, if any.

### Critical remarks

- Re-assess the 100% coverage claim from the point of sustainability.
- Involve elected representatives to substantiate claim.
- Continue schemes such as ARWSP, PMGY and RDW even after “100% coverage claim” as the Commission received views that several habitations are still uncovered.
- All unutilized / underutilized resources under the Tenth Plan since 2002 be ploughed in to ensure coverage and sustainability.

### **3. In 300 districts achieve Total Sanitation by promoting individual household latrines.**

#### Action required

- Choose 300 districts with poor Infant Mortality Rate (IMR).
- Even within the Tenth Plan framework through the demand based project mode provide toilet facility. Promote household toilet vis-à-vis community toilets as maintenance and ownership will be trouble-free.

- Technology used should be sustainable and minimum water dependent.
  - In the 185 identified districts where Rs.2032 crores were sanctioned a local Task Force constituting of 05 village sarpanches (all women), 01 Zilla Parishad Chairperson, 02 women lecturers from neighbourhood college(s) should assess in their district the actual extent to which the current programme has succeeded.
  - Any unspent resource from the 185 identified district programme should be utilized.
- 4. Restore/regenerate 100 million hectares of degraded lands and water bodies. This will provide for employment generation and stop further environment damage (New).**

Action required

- In areas with identified water bodies and degraded lands women and men SHGs should be engaged in reviving degraded lands.
  - Methodology should be worked out for NABARD financing to these groups on a medium term basis with the district authorities providing the necessary security as regeneration will help the entire community.
  - KVKs and Crop Research Institute should work on a convergence mode and provide sustainable support for crop, cultivation and technology.
  - Special funds should be earmarked and be made available through Wasteland Development.
- 5. Earmark funds for women under the Rural Infrastructure Development Fund (RIDF) through SHGs in 100 drought prone districts for cultivation of medicinal herbs, flowers, vegetables and horticulture.**

Action required

- The existing RIDF aims at flow of funds to agriculture sector. Earmarking will ensure focus on economic empowerment of women.
  - The KVKs in the areas should have manpower to reach out to identified groups and give them sustained technical support.
  - The selected 100 drought prone districts should be mandatorily covered under watershed development, PMGSY and the Agricultural Marketing Cooperative network.
- 6. Migrant construction workers to be given identity cards, provided medical care, grain ration and children's education (New).**

Action required

- A worker welfare cess be collected from promoters of large construction projects for creating a welfare corpus.

- Lump sum cash compensation should be paid to these migrant workers for "at-site" accidents which result in injuries affecting their future.
- PHCs and referral hospitals all over the country should be instructed to honour these identity cards to provide free treatment.
- Mobile "grain and essentials" vans should reach out to these "at-site" residents.
- Group insurance should be provided for every migrant worker.

#### Critical remarks

- The budget should allocate resource even sourcing it through issue of bonds or through assistance from development banks such as Asian Development Bank.
- The country is going through a "construction boom". However, these workers, particularly as they are migrants are ignored. Their women and children are compromising on their fundamental rights to safe existence, education and welfare.

#### **7. A development programme exclusively for traditional fisher-families should be introduced (New).**

#### Action required

- The diverse traditions which allow for bio-diversity and environment sustainability in marine resources should be urgently revived.
- Existing fishermen cooperatives should be infused with resources to revive and nurture the traditional balance maintained in keeping the Indian coastal environment and marine ecology intact.
- This programme should bring together –
  - (a) Swajaldhara (cover all fishing villages)
  - (b) Total sanitation campaign to all fishing habitations.
  - (c) PMGSY to link all fishing habitations to their panchayat headquarters or to the nearest point in the state highway.
- A cess to be collected from deep sea trawler operators. The collected cess should go to the development fund.
- Degraded coastal lands should be redeployed through fisherwomen cooperatives for salt pans, fish packaging, etc.
- "A la"Kissan Credit Card – Fishermen credit card to be given for getting small loans.
- Provide assistance to women's groups to engage in traditional fish culture techniques to rejuvenate marine resources.

- Fisherwomen SHGs should be given resources for drying and preserving of fish products.
  - Provision of three-wheelers for women's groups to sell their products, i.e. fresh fish.
- 8. Swalamban to be expanded. Swalamban provided employment linked training in traditional and non-traditional trades.**

Action required

- A minimum of 2 lakh women should be covered under this programme.

Critical remarks

- In 2001-02 through 1045 projects this scheme covered only 53050 women.
  - More women should benefit from this scheme as it has a direct impact on women's empowerment.
- 9. All untied Central funds should be directly given to the Panchayats to empower them.**
- 10. A Satellite Account should include in detail the invisible work women undertake. The invisible work done by women, the "care economy" which is saving the exchequer the burden of doles to the unemployed and relief to the sick and aged should be recognized.**
- 11. The Structural Adjustment Programme (globalization) and the encroaching consumerism are having a strong impact on women's unseen and unpaid work.**

Action required

- The CSO should be engaged to conduct a Time Use Survey in all States (similar to the study already completed in six States from six different regions). The Indian Scheme of classification of Time Use Activities should be adopted. As women form a major part of our labour force, their unpaid work and its share to the macro economy through the extended SNA activities should get due recognition.

The CSO should survey selected unorganized sector activities to estimate total women workers engaged in these activities, i.e. migrant construction workers, women street vendors, women in livestock sector, and self-employed women.

## **WOMEN, BUDGETS AND THE NATIONAL ACCOUNTS**

● **Nirmala Sitharaman**

1. The National Commission for Women was constituted by an Act of the Parliament in 1992. The Commission is mandated to ensure that the rights of women as given in the Constitution are safeguarded and upheld. In particular, under Sec. 10.1(i) it is mandated to "participate and advise on the planning process of socio economic development of women". The mandate also specifies in Sec. 10.1(j) "evaluate the progress of the development of women under the Union and any State".
2. Almost simultaneous with the birth of the Commission was India's acceptance of the policy package for structural reforms – Structural Adjustment Programme (SAP), popularly known as globalization.
3. Women's welfare, economic development and their legal and Constitutional rights were challenging agenda for a fledgling Commission. Through public hearings and investigations the Commission was reaching out to those who needed it the most. In the process, the Commission heard voices of lack of opportunities, absence of sufficient of training, skewed urban-rural growth affecting job availability, poor credit facilities and total absence of basic infrastructure such as water and sanitation.
4. The growing private sector entered into terrain which were till then unattractive, leading to mismatches of resource availability and manpower demands. Employers were very tuned to market and its demands as opportunities were opening up. As it happened women were at the end of "double disadvantage". The employers were not willing to spend on upgrading their skills as the popular myth is that women are not economically suitable as labour. (They tend to leave their job to take care of growing children, go on one or more maternity leave, refuse promotion if it involves transfer, etc.) As a result redundancies were more among women.
5. SAP also slowly opened up such sectors of our economy where self employed women made a living for themselves and their family. These areas saw new and more resourceful players with better market access. Even this left women and the family's economy directly affected.
6. Carrying forward its mandate, the Commission was keenly recording the status of women in various parts of the country. Women and their health, education, their contribution to the gross domestic product through the organized and unorganized sector, their work participation, the "care economy" for which women are the anchors were concerns reflected in Commission's reports to the Parliament.

7. India ratified the Convention for the Elimination of All Forms of Discrimination against Women (CEDAW) in 1993. The Planning Commission framing the Ninth Five Year Plan (1997-2002) set the pace on allocation of plan funds and benefits to women through Central ministries and departments. The strategy was called the "women's Component Plan" which ensured not less than 30 percent funds from development sectors to reach women.
8. It was in the Budget 2000 that there was a reference to women and their access to national resources. As a follow up the national Economic Survey (2000-01) had an entire section "gender inequality".
9. Human activities can be classified into three broad categories: System of National Accounts (SNA) Activities, Extended SNA Activities and Non SNA Activities.
10. The System of National Accounts (SNA) 1993 defines production boundary and takes the production activities which are included in the estimation of gross domestic product. They include goods and services produced for market or own consumption. The Non SNA activities do not concern macro policies as they are personal activities which cannot be delegated to others. Therefore, it is the extended SNA activities which are services not considered in the computation of the GDP. One reason for non-consideration is that there is no standard framework for valuing these services. It is in the extended SNA activities a large number of women are engaged in and therefore is of concern to and engages the Commission.
11. The National Institute of Public Finance and Policy drafted a discussion paper on "Women's Contribution to the Economy – Their Unpaid Household Work" in 2001. In a crisp account of the volume of unpaid work carried out by women, the paper highlighted the need for accounting (not necessarily paying) for the extended SNA activities. The justification for this suggestion, as is obvious and of interest to the Commission is thus: The extended SNA activities include household maintenance, care of children, sick and elderly. Studying 6 states the paper mentions that there is a predominance of women in unpaid activities.
12. The "care-economy" of which women are the anchors is part of a social capital inherited by us in the form of family. Many advanced societies suffer for want of this facility. Their public exchequers bear the cost of caring for the young, maintaining the sick and the aged. For generations the Indian State exchequer has never "factored in" this social cost as the work done by women within the family is invaluable and can never be costed. Fixing a monetary value for such service carried out by women is nearly impossible as it is done voluntarily, with love and affection and most importantly without expecting any reward. While it is easy to succumb to this argument it also reinforces, albeit inadvertently, the view that SNA work is supervised to extended SNA and paid work as the latter receives no payment.
13. Budgets and macro economic policies address issues related to visible economy – the economy for which data is extensively available. During October 2002 the Central Statistical Organization discussed with experts in a national seminar the "application of time use statistics". To improve

the visibility of women and their till-now-invisible-work, different methodologies of collecting data were considered. One such methodology the "Time Use Survey" was used in the six State study referred to in para 11 above.

14. Differing techniques and methodologies need to be considered in estimating the size and share of women's invisible work, if only to value it. Several studies have established that the Female Work Participation (FWPR) is considerably high when the "invisible work" is accounted for. Moreover, plans and policies based on SNA activities have a strong impact on extended SNA activities which are not accounted for.
15. "Gender Budgeting in India" was studied extensively by the National Institute of Public Finance and Policy (NIPFP) for UNIFEM, South Asia. This exhaustive study focuses on parameters which help in assessing the status of women. It equally focuses on "the differentials in resource allocation of ministries on males and females". More importantly, on the "invisible work" done by women the study develops a framework "by which women's unpaid care work can be accounted for in a system of satellite accounts to the NAS".
16. Notwithstanding problems of valuation it is now imperative to include women's contribution to the national economy. All policy, planning and budgetary allocations are influenced by the size of visible contribution. The process of setting up a System of Satellite Accounts to the NAS should be initiated forthwith in order to avoid any further delays in bringing to light women's invisible but significant and enormous contribution.
17. Mainstreaming gender in the National Budget or as some prefer saying "to get a feminine content to budget" has concerned the National Commission for Women for several years now. Budget is a powerful tool used in prioritizing socio economic sectors and the various sectors of our society for receiving a share in the vast resources of the government. However, vast it may be, resources are always limited in relation to the demands put on it. Hence prioritizing is necessary and unavoidable.
18. Macro economic policies and budgets are generally expected to be "gender indifferent". However, when policies through programmes and schemes reach our doorsteps, women tend to be left out. In fact, till very recently it was not possible to analyze resources spent on women because disaggregated data was not available.
19. The Department of Women and Child Development commissioned an "Analysis of Budgeted Expenditure on Women and Child Development during 1993-94 – 2002-03". The limitation of the study as mentioned in the document throw light on the grey area that needs to be addressed. Inter-alia, absence of sector-wise allocation even in the budget document has posed problems during compilation and surely therefore even at the stage of deciding on utilization. Even when lump-sum provisions of resources are made actual expenditure data with disaggregated figures for expenditure on women is unavailable. For Centrally sponsored schemes several state/sub-national governments give actual expenditure only on major heads and not scheme-wise.

20. Successive union and state governments in India have made budgetary provisions for women specific programmes. Programmes and schemes have also been put in place for women's welfare and empowerment thanks to the dialogue held with Civil Society Organization (CSO) and women activist groups. Unforeseen and unfortunate national disasters have pushed governments to provide relief to women.
21. Difficulties arise when attempts to study / analyze the actual monies utilized on women. Budgetary allocation may well be spent on providing relief to women in distress or for their reproductive health. Resources are also allocated for providing credit facilities to women or for skill development. To collect data, spread across the board and then to re-classify them is an enormous, time-consuming and tiring exercise. Resources "allocated-not-utilized" pose questions related to what actual impact on women.
22. It is debatable if more money spent on gender reinforcing measures such as reproductive health, crèches are actually sufficient in empowering women. It is not suggested here that resources need not be spent on women's health. It is the extent of expenditure on these heads in relation to say, skill development and education which needs to be prioritized.
23. The budget, both at the pronouncement and analysis stage (the BE, RE and the actual incurred/ spent/utilized statements) should yield itself to readily answer questions on how much was actually spent on women's health. How much was the budgetary allocation on girls' education not inclusive of expenditure on crèches for girls in schools although they have close cause and effect relationship ("sibling care"). Is it not relevant and pertinent for us to know the quantum allocated and actually spent on relief and subsidies provided for women Below the Poverty Line?
24. The DWCD-NIPCCD Gender Budget Analysis of Selected States - November 2002 revealed that the highest percentage of expenditure on women was under the social services and only then by economic services in all states studied. While WCD, Education, Health, Family Welfare and Social Welfare focused on women, presumably influenced by the welfare goal, focus should also come through empowerment objective which can be directly served through Rural and Urban Development, Agriculture, Labour, Cooperative and Tribal departments.
25. The classification of expenditure heads both for the Union and State budgets should be simplified. UNIFEM in its study by Nirmala Banerjee suggests categorizing public programmes broadly under three groups:
  - (i) Relief policies (short term, temporary, to meet distress caused by external/unexpected/ natural calamities.)
  - (ii) Gender reinforcing assistance (for accepted gender rolls i.e. reproductive health)
  - (iii) Equality promoting schemes (toilets in school, skill training, micro credit, etc.)

26. Alternatively, the NIPFP gave its three categories for classifying public expenditure on women.
- (i) those specifically targeted on women (100% targeted on women)
  - (ii) those with a women component (at least 30% on women)
  - (iii) those that have gender differential impact.
27. These three heads have been further categorized as under :-
- (a) Protective & welfare services
  - (b) Social services
  - (c) Economic services
  - (d) Economic empowerment
  - (e) Regulatory services and awareness generation.
28. Efforts are on to review the classification of expenditure. The Ministry of Finance, Government of India has constituted an Expert Group to undertake this review. It is gratifying to know that of the three specific terms of reference for this Expert Group one is to "examine the feasibility of and suggest the general approach to, gender budgeting and economic classification". The Group has submitted its report. It is hoped that analyzing and reformulating gender related budgetary resources would be simpler and clearer. Budget 2004 should set a direction in this matter.
29. Women in the workforce should be given attention that they deserve. Even as on March 2001 there were 4.9 million women in the organized sector. They constitute nearly 18% of the total organized sector employment. However, many more women, in fact vast majority of women, are in the unorganized sector. There is an urgent need to estimate the number of women engaged in several activities which collectively make up the construction workers where migrant families contribute to the buoyant construction industry of the country. Suggested other activities where women outnumber men are domestic workers and urban petty/street traders.
30. In today's buoyant economic situation with the spirit of globalization the charge on the budget is to lubricate the economy for a smooth and complete "take-off". In a free market, globalized economy this expression itself may cast aspersions about a welfare-subsidy-baggage. The State cannot afford to forget its welfare duties whatever the ideology fashionable or in vogue. No free market or development can be faceless. It cannot be devoid of extension of basic services such as water and sanitation. These are the fundamental needs for survival and survival is a basic human right.
31. The National Economic Survey 2002-2003 claims 100% coverage in rural water supply to nearly 91% of habitations in India. (Table 10.15 Economic Survey 2002-03). This has to be reviewed

with a localized task force with people's participation. It is a stark reality that several villages are still left with no supply at all. Sustainable supply of water to every habitation should be our goal.

32. Under rural sanitation Rs.2032 crores have been outlaid in Budget 2002. Central Government share in this is Rs. 1225 crores. Of this only Rs.328.89 crores had been released by January 2003. Why this staggered release and why this poor off-take needs to be explained.

## **SUMMARY OF THE PROCEEDINGS AND RECOMMENDATIONS**

In her welcome remarks, Ms. Nirmala Sitharaman, Member, NCW, informed the meeting that Chairperson, NCW, would give opening remarks and Prof. Aasha Kapur Mehta, Indian Institute of Public Administration, would present the Background Paper – The Budget: A Gender and Poverty Sensitive Perspective. She hoped that at the end of the day, the outcome of the meeting would enable the Commission's discussions with the Ministry of Finance prior to Budget 2004.

Dr. Poornima Advani, Chairperson, NCW, welcomed everyone present. She said that men and women constitute about 50-50 of the population of the country. However, it is not clear how much the decision making process connected with budget formulation ensures a "gender-just" budget. Again, it is unclear how the pronouncements are converted into reality. How resources are raised and what are their input on men and women. Substantial resources are allocated to the police to counter violence against women. However, it would be better to allocate for provisions which would improve empowerment of women.

NCW has been conducting public hearings to know the problems of women, particularly, women in the informal sector. I am referring to a large number of construction workers, beedi workers, fisherwomen, skilled artisans, to hear about the problems emanating from globalization.

What we need to put before the Finance Ministry is a charge on women's rights and empowerment of women, for they are not integrated in national budget. Women should get a fair share of national wealth.

We are also given to understand that Finance Minister meets groups of industrialists, captains of industries, trade unions, editors, sadly, women are not called to give their views.

This National Consultation is an attempt to carry for the women's voice to the Finance Minister, with all our friends present here. You will all realize that this is only possible through the team efforts of the Commission. The flag of leadership of this consultation has been taken up by Ms. Nirmala Sitharaman, Member of the Commission, very gracefully and has ensured today's agenda and participation. We are grateful for Prof. Aasha Kapur Mehta for the report on gender budgeting which forms the background paper for today's Consultation. We are also grateful for the Members of the expert Committee on Economic Empowerment of Women for their suggestions and views for economic empowerment of women.

**Ms. Firoza Mehrotra, UNIFEM**

I would really like that we will be able to formulate some recommendations before 2004-05 budget is finalized.

Gender budget gives the impression that there is a separate budget for women. Gender budgeting is gender analysis of the budget. We have to see in what way the Union Budget or local budget impacts women. 50% of the country's population consists of women. We want equality or an even plane. Equity provides for people according to their situation in order to gain quality of outcome. We have to make sure that implementation is carried in a pro-poor way. While allocations are important, we need to be more concerned with re-appropriation of resources rather than looking for newer resources. UNIFEM believes in mainstreaming gender access all ministries rather than look for separate niches. Many attempts have been made by the Planning Commission and one of them is Women Component Plan—allocations for women schemes within Ministries. If it were mainstreaming of women concerns in all the activities of the Ministries we will be able to achieve involvement of women in the budget making process – consultation with women in the budget making process itself at the national level. At the Panchayat level, women's concerns and their needs are not taken into consideration while making budget at the local level.

**Smt. Krishna Bhatnagar, Planning Commission**

Difficulties are experienced by women in accessing services. It is my view that new funding alone will not change the system. Female infanticide is there even in most developed States in India. This has led to adverse sex ratio in Haryana. In States like Punjab, Haryana, women IAS officers are not posted as collectors even now. It is not only access to funds, but governance of funds which would make impact on budget. Most issues are related to men and women. I would like us to concentrate on 3 – 4 monitorable targets. Our list can focus on:

- Closing gender gaps in education.
- Increasing literacy in community and caste areas even in states like Karnataka, Tamil Nadu and Kerala
- There is great reluctance to talk about family planning. This should be without any handicap or shyness, irrespective of castes. Family planning should be made acceptable to all.

My first suggestion is that we need to prepare an atlas of known pockets or indicators of higher education, better governance in terms of teachers being there, hospitals, doctors and nurses, providing roads to States. We tend to forget women who live in slums – in Delhi, Bombay, etc. where literacy is well below the average of cities. This group should be targeted. Drinking water is an issue which is extremely important. There is lot of funds for provision of drinking water. I do not think budgeting is the answer to this problem. You cannot have a situation where farmers have to extract water both for irrigation and drinking purposes. There are technical issues involved in this. We make farmers to

dig wells; but there is no technology guiding them. There is need for engineering colleges and technical institutes to look into this problem. Water problem is more acute in summer months. Water is being brought from long distances. Every tap in the villages is always leaking. In tackling the situation, engineering aspect is involved. This would require a lot of effort apart from budgetary aspects. There are other issues which require greater interaction.

As far as health issue is concerned, it has become more fashionable being a cardiologist. There is dearth of doctors doing preventive work. There is need for improvement in preventive medicines. Some kind of interaction is absolutely essential. Access can be improved by providing mobile health services. More women will benefit if mobile health camps are held.

There are a large number of schemes for women. There are schemes to give cycles to girls to go to school. The real impact of such schemes on empowering women needs to be critically analyzed.

The Finance Ministry can help a great deal in regard to access of women to credit. The availability of credit to women needs to be looked into.

Government Sector and Government Research Institutes have high budget. The budget should enable a social audit. Today drinking water is provided by the manufacturing sector. Women require quality and durable chulah, health care packages and toilets which require zero maintenance etc. State Governments maintain homes for destitute women. Most women who are deserted by men end up in state homes. It is to be questioned as to why we are allowing these men to forfeit their responsibility. The Health Care Sector is doing a lot in the field of specialty medicines. It does not look after the need for geriatric medicine.

The media is a powerful sector. They should deal with social issues and also those issues for which funds are provided by the government.

**Shri Jairam Ramesh, Adviser to the Economic Cell, AICC**

I get the impression that the real purpose of this meeting is how best to influence next year's budget making. I would like to make 2-3 specific suggestions. The ability of the Central Budget to reflect concerns of women is necessarily limited. Most of the crucial aspects are in the State budget. The Central budget can show a direction, to bring about integration of very large number of schemes in social sector, particularly in women and child development.

Some sort of integration of large number of schemes for social empowerment, child development and HRD. Currently 75 schemes specifically available for women are funded in lakhs. These cannot have much of an impact. There can be a few flagship schemes which can be adequately funded. You can send a signal to State Governments.

The second point is that in 1996 and 1997 we tried to have women groups and NGOs. We had a large number of suggestions – 99.9 per cent were irrelevant. 70 to 75 per cent of provisions in a budget is pre-determined. To expect and going to expect major step up in the schemes either in some

form of restructuring or new form of allocation being made in unrealistic. One of the suggestions I would like to make is that if new schemes are identified, we should really look at the external funding.

The third point is that it would be useful if you focus on one or two key ideas. 85-90 per cent of budget is touching what people are doing everyday. You have to influence areas where we can have very good results such as micro credit and self help group. It is possible to foster growth of SHG and micro credit finance through the NABARD.

One should have realistic expectation which should reflect in resource allocation. It is better to have smaller agenda or "do" ables.

**Shri A.V.S. Reddy, Secretary, Tribal Affairs**

I feel there is need for an integration of all the programmes dealing with women in all the Departments. I suggest a focus on tribal women. We have been insisting in various forums that women development is indicated in their literacy rate. Family literacy of Scheduled Tribe is as low as 8.4 per cent. Health and other infrastructure including electricity, safe drinking water access to the tribals is low. Economic support schemes should be given in the name of women. House site pattas should be given in the name of women. Sometimes, inadvertently welfare programmes drive people to indebtedness. We should not drive them into indebtedness.

Tribal women depend upon minor forest products. The Integrated Tribal Development Agency, the Forest Department and Environment Departments are sometimes working at cross purposes. Development infrastructure has a bearing on tribal area development and this issue as a whole needs a gender focus. Education, Credit and construction of ST girls' hostels should be on priority. This will be greatly enabled if all concerned ministries release funds directly to be Integrated Tribal Development Agencies.

**Dr. Jayati Ghosh, Professor, Jawaharlal Nehru University**

A list of "a few issues" or "do" ables only may be a good point to start with while dealing with budget 2004. As it is we are talking about only 1% of the budget. Poverty has come down. However, NSS data reveal that per capita calorie consumption has come down. It is noteworthy that for the bottom 40% of the population this has come down by 15%.

We should strengthen our Public Distribution System to address issues related to malnutrition.

Infant mortality has come down; however, there is also decline in public health services. There is connection between transport, physical infrastructure and health services. Access to medical facility reduces Infant Mortality. There is a strong correlation between infrastructure and survival.

Lack of paved roads leads to maternal mortality.

Central budget always lays stress on national highways. We should demand allocation for roads in every village as centrally sponsored schemes. On village linked by roads the Indian average is only half that of Bangladesh.

The labour market in rural India needs attention. The number of man days is coming down. We should ask for additional expenditure in the Budget to aim at employment generation.

**Shri Bharat Jhunjunwala, Freelance writer on economic issues**

The present tendency of the Finance Ministry is to go in for uniform rate of taxation. Cycle tyre and scooter tyre are on same rate on the ground that economic efficiency depends on uniform rate. We should oppose this. This is the negation of principle of progressive rates of taxation. The idea is rich should contribute more. NCW could make a study of some items of consumption of women and the poor, like kerosene, cheap cloth etc. We should give a note on Kelkar recommendations and VAT.

Giving relief to women who work and earn and not giving relief to women in houses – women investing her time up bringing of children. Women at home be given relief by way of IT exemption from her husband's income upto Rs.1 lakh, as if both were working. Under the current system giving relief to women who work outside of the family whereas giving no relief to women engaged in house work–taking care of the sick and aged, children, etc. iniquitous. This should be explored. Family based exemption brings more money to the family.

Grains, sugar, crèche, cycles are all private goods. It is debatable whether NCW should approach Finance Ministry to give more allocation to private goods. Infrastructure has empowered women. We have to be clear about priorities. We should ask for pro-poor real infrastructure which is achieved by spending on public goods such as road, hospitals, electricity, etc. We should not ask for private crèches. Private goods schemes are ineffective. People cannot buy roads. Only government can provide them with those. However, people can get grains and essentials if only they are provided with jobs. It is very necessary to have focus where priority lies.

Both men and women compete for jobs. Let us analyze a situation of 10 million families each with 2 people working versus 10 million families with both men and women remaining unemployed. There should be equitable distribution of jobs among families. NCW's efforts should be aimed at total increase of employment, stress should not be on women working. There should be some policy for family based allocation of jobs.

**Ms. Ratna Sudarshan, Director Institute of Social Studies Trust, New Delhi**

Availability of water and toilet facilities is of serious concern. Toilets are not put to use because of non-availability of water. Only 8-9% people access own toilets. Government schemes on sanitation should be flexible. Type of toilets provided should vary emphasizing on sustainability. It is debatable whether we should ask for new schemes or should improve existing schemes.

**Dr. Sarala Gopalan, Retired Secretary, Govt. of India**

Only in India women and men are assessed separately. That should continue.

73<sup>rd</sup> and 74<sup>th</sup> Amendments to the Constitution should be fully implemented in letter and spirit. If delegation of all the finances are transferred, all the funds are given to Panchayats, issues like

drinking water, rural roads, rural housing, rural health care centres, which are basic requirements to life would be addressed.

30% allocation for women under the Women Component Plan should be increased to 40%.

**Ashwini Mahajan, Reader PGDAV College, Delhi**

Empowerment of women cannot be achieved only through government schemes. Even the private sector should be tapped. However, the social responsibility of the corporate sector is not very clearly manifested. Companies are not seen pro-actively sharing the responsibility.

Budget 2004 should give a direction in achieving empowerment through both private and government sector.

Land pattas, houses, group insurances should be offered to women.

Since the Ninth Plan, 30% allocation is made for women related programmes. Uptilnow, only 15 departments have declared details about this 30% allocation. 22 departments have not. It is necessary that Women Component Plan in the budgetary allocations should be accounted for in the following year's statement regarding fund utilization.

NSS Survey should show the increase / decrease in unemployment in urban and rural areas separately and to highlight women under unskilled / skilled / semi-skilled, etc.

Budget 2004 needs to address in particular the sector(s) where women work in large numbers.

Panchayats and the level immediately above them should be given financial resources and autonomy so that benefits reach women at the grassroots.

**Dr. Susheela Kaushik, Centre for Development Studies & Action**

Women should be heard in every pre-budget exercise. Women's demands have never been heard. The NCW should contact women Members of Parliament and tell them our views. Their support should be garnered to influence budgetary allocations.

It should be underlined that issues placed by women such as demand for crèches will benefit the society as a whole. They should be placed as societal issues. Not ensuring equal and minimum wages for women means that the State is the violator of its own rules.

We should ask for one or two big schemes, then ask for more counseling centres, short stay homes, etc. The schemes chosen should address basic issues from where emerge the socio economic weaknesses of women. Therefore, we should take a parallel approach – keep with us those schemes which are with us now but also demand for new schemes that can bring in social change.

The Women Component Plan (WCP) utilization is unclear. How much has the Home and IB spent under Women Component Plan? Not much data is available on the utilization of allocations made under 30% WCP.

We could ask for more allocation but even the government (both Centre and the States) are unable to say how much was actually spent.

Price management of kerosene, gas, etc should not form our demand.

Contradictions should figures showing reduction in employment in some sectors and "not filling up" elsewhere should be removed.

Corporate sector should get tax concessions for carrying forward social responsibility.

Insurance cover should be given to women peasants and for women in the unorganized sector.

**Sri R.C. Tripathi, Retired Secretary, General, Parliament Secretariat**

On issues like empowerment, poverty alleviation, etc a lot is already said. The much referred to Kothari Commission suggested 6% of the budgetary resources to be allocated for Education. We are not providing this even today.

Gender and poverty alleviation go together. Women and men are complimentary.

We should analyze and understand why even with the support of Anganwadi workers' education is not picking up among several sections of our society.

There is not sufficient availability of work in the rural areas. Hence migration from villages to urban areas takes place. Public Health Centres and schools network in the country should be qualitatively and in actual numbers strengthened. A pertinent question to ask "is money reaching the sections it should reach to?"

There is a discernable step motherly treatment to the rural areas – particularly on infrastructure. Internet and phones may reach but education does not. Even schools should go to villages with the same corporate spirit. Planning Commission has lost out on its nationwide planning. Our planning activity may have to be recast.

**Dr. Susheela Somaraju, Scientist-Industrialist, Hyderabad**

If DWCRA women's groups come forward for providing crèches or primary learning centres for 0-6 year children, financial and resource assistance should be available for them.

State Governments are encouraging women to join / form SHGs. When they engage in income generating activities after that, governments should come forward with the same vigour by providing capital, tax incentives, information regarding market needs, etc.

Elderly women should be taken care of as families are becoming nuclear. Many elderly women end up in destitution.

Every urban slum should be recognized as a panchayat.

Gold loans should be easily available and at reasonable rates.

**Ms. Pam Rajput, Women's Study Centre, Punjab University**

Planning is a continuous process. Even the monitoring of allocated resources should be a continuous process.

We have all kinds of schemes. However, when resources are not spent it seems to suit everybody to roll back. To avoid this and to overcome the problem of roll back is not easy. People who implement schemes should be gender sensitive.

It is important that such exercises should not be restricted to the Union Budget alone. NCW should look at least region-wise and analyze state budgets also.

Women in the unorganized sector is an area of great concern. Nothing seems to reach them. Power to the people has not been achieved. Capacity building should be focused on.

In South Africa not only the budget, no bill is passed without a gender audit. NCW should work for that in India.

**Dr. H. Ramachandran, Director, Institute of Applied Manpower Research**

The Cadbury Committee recommendations on governance should be looked into. Private sector never really went to any area where public sector was prevalent. However, now we find in health and education, private sector entering in a very big way. Their services are being charged and they are charged cost effectively. Indeed the line distinguishing public and private sector is thin. Policy makers should be clear on where public money is going.

**Dr. Kusumlata Kedia, Professor, Benaras Hindu University**

Not much can be done with the Union Budget but what can be done in it indeed can be significant. Specific issues which can be addressed by Budget 2004 are:

1. Tax rebate should be given to women-headed families.
2. Incentive should be given to institutions where women are in high position- particularly in those institutions where large numbers of workers are men.
3. Reduce taxes under HUF if the HUF is women-headed.
4. Fees for women patients should be less in hospitals.
5. Charge for women passengers in trains should be 5% lesser than the male counterparts.
6. To encourage more women to seek merit and to build a career, career women should be given; say for example, women vice chancellors in universities should be paid 'X' percent of their pay as incentive.
7. All issues pertaining to women and environment and any conflict of economic interest arising therefrom should addressed.

**Smt. Swati Sahare, Mumbai**

Government should give priority to women made goods. For all procurements of the government on goods such as stationery, medical and sanitary equipments, food and drinks, purchases should be made from women-run units. The Budget 2004 stating this should provide for assistance to all small women-run units to update their technology and develop their skills.

Prices for goods should be fixed during a particular time in the financial year or post-budget. This list should comprise of all goods which can be categorized as necessities. Between budgets no price increase should be entertained.

**Smt. Rekha Gupta, Industrialist, NOIDA**

Industry is not receiving the benefits of fall in interest rate. Finance should be available at an affordable rate. Presently it is being made available at 14% over and above the financial burden imposed for meeting EMD, margins, other bank guarantees, etc. This is so even for manufacturing units with PAN, export certification, etc.

It is ironical that home loans are cheaper while industry which provide livelihood for workers, earn foreign exchange and which provides for greater GDP is not a beneficiary of falling interest rates.

Power sector excise duty in fact should be reduced to 10 percent.

MNCs pay their employees very well, however, Indian companies are forced to pay more and this actually is a burden on them. Income tax exemption level should be increased.

Women get Rs.5000 Income tax rebate, however, women entrepreneurs should be given greater relief under this category.

**Smt. Neerja Suneja, Joint Director, Ministry of Agriculture.**

In many of our development activities gender will have to be mainstreamed. Our Ministry covers 21 States with external assistance, such as Dutch Government assistance, etc. But we cannot sustain these for too long.

The National Agricultural Policy has made it a point to mainstream gender.

Since the Ninth Plan, the Women Component Plan has been made effective. We need to have a gender resource centre for watching all departments in implementing this agenda.

**Sh. G.B. Panda, Adviser, Planning Commission.**

If we review the Tenth Plan documents, 15 Ministries have earmarked 20% of their budgets for women and the budget of WCD totally is for women. This, in sum total shows a 42 percent allocation to women in the country. We need to know where all these monies go.

While carrying out the zero based budget exercise, we found nearly 45 schemes which later got reduced to 26.

We have to review the Women Component Plan which started even with the Seventh Plan. All of us are aware that for SCs and STs a Special Component Plan is available.

In Maharashtra, funds allocated under various heads in all different departments are pooled together and kept at the disposal of the nodal department. They then prioritize on projects and then release the funds. A similar re-pool would be a very effective way of handling the Women Component Plan dealing with several ministries.

Women Component Plan should go beyond 30% earmarking funds for women. In agriculture it can go upto 40%.

**Smt. T.K. Sarojini, Retired Adviser, Planning Commission.**

Several ministries have women related programmes. However, many are not women driven. There should be a check with all ministries about the quantity and quality of projects.

A qualitative step towards women's empowerment is the 73<sup>rd</sup> Amendment to the Constitution. If this is not supported by adequate quantitative allocations then the very objective of the amendment would be defeated.

In some states there are welfare programmes such as Sari and Dhoti distribution and funding of girls' marriage. These do not really empower women.

Institutions such as short stay homes are serving as not really 'short stay'. Women in these places should become self-sufficient and leave the home, say, within three years. Only then money can go for others or for other schemes.

We need to tap the corporate sector in funding welfare activities. In fact the Commission should request the Finance Minister to take steps in this direction.

**Dr. V.S. Minocha, Formerly of Ministry of Commerce**

The mind-set of our society today has to be changed. Consumption is not equal to buying alone. Women have a strong role to play than men in this segment. Mahatma Gandhiji's view on the matter started with need-based consumption and then went to purchase based consumption.

When change takes place its effects fall much more on women rather than men. That is why it is important to work for equal pay for equal work. However, care should be taken that we do not start valuing household work as it is too precious to be valued. From this point of view, efforts to monetize women's work at home is a false lead. It can be easily demolished.

In a way, *streedhan* should be encouraged only if a safety clause is added that even her husband cannot touch it. This will provide the woman all the security it is expected to provide.

Governmental projects should always be funded under the matching grant principle. Only then due to the spirit of ownership, sustenance and maintenance would be possible.

## **Recommendations**

Each participant in her / his presentation mentioned specific recommendation which appear in the aforesaid content. A brief summary is provided below:

- Even after the zero based budgetary exercise of the Planning Commission, there are a plethora of schemes. Inter-departmental convergence or the lack of it renders several of them to become ineffective. The intentions behind launching of schemes may be noble, but such handicaps defeat the very purpose. Budget 2004 should reflect on this and bring clarity on this matter.
- Small schemes running with only lakhs of rupees as their total allotted funds hardly make an impact.
- The era of stand alone schemes is gone. Women should not isolate themselves. Women component should be specified in scheme.
- Just as no scheme can be cleared without the Forest or Environment Departments' clearance, so should gender clearance be obtained.
- Even at the planning stage in every scheme women's point of view does make a big difference. At the village level, for example, when men plan for a single street light they recommend it to be at the Mandi. When women gave their view they wanted it at the village water source. (When water supply is erratic and most often at ungodly turns women's safety is at risk.) When women plan, they do for the family which include children and the elders.
- States should devolve both political and financial powers to the panchayats to enable this process, to begin with, Central Funds for a few schemes should be directly given to the panchayats.

# **THE BUDGET : A GENDER AND POVERTY SENSITIVE PERSPECTIVE**

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Samik Chowdhury  
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**with assistance from  
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**Aasha Kapur Mehta**

# **THE BUDGET : A GENDER AND POVERTY SENSITIVE PERSPECTIVE**

● Aasha Kapur Mehta ● Samik Chowdhury ● Subhamoy Baishya

*with assistance from*

**Ritu Elwathi**

## **I. Introduction**

The Union Budget is not just an annual statement of receipts and expenditures. It is an instrument for fulfilling the obligations of the state and a political statement of the priorities set by the government in allocating the resources it has mobilized. 'The budget reflects the values of a country – who it values, whose work it values and who it rewards....and who and what and whose work it doesn't' (Elson, 1999). A review of the existing work on Gender Budgets describes them as efforts to disaggregate government's mainstream budgets according to their impact on women and men. They are not separate budgets for women or for men. The purpose is to monitor expenditure, public service delivery and taxation from a gender perspective. (Esim, 2000). Policies have different outcomes for men and women. Gender Budgets try to "improve access of women to public resources as a way of mainstreaming gender concerns". (Krishnaraj, 2003).

For those who live in the city it doesn't take much in terms of observation or sensitivity to see homeless, shelterless, hungry people sleeping on pavements, braving the rain or heat or cold. For those of us who travel to villages in the more remote parts of India, it is a shock to find that even today, at distances that are less than two hours away from a state capital, are villages that are 10 kilometres away from a pucca road, that do not have electricity, or a school and where one person in the entire village has one torch that is used on rare occasions when city folks arrive and need light in order to try to avoid stepping on a snake in the dark. These remote villages also house people who are – or so the Constitution says – equal citizens of India. They too fall ill and need access to health care, need to be literate and able to demand access to infrastructure, health care and resources that are theirs by right. They too need access to livelihoods to earn money to buy food and meet their basic minimum needs. (Mehta, 2003).

Despite the many five year plans and major and minor changes in development policy and poverty alleviation strategies adopted by us since independence, unacceptably high levels of poverty and hunger persist, however measured and however defined. (Mehta, 2003). It is important to recognize that in most parts of India, when the household as a whole gets less to eat, it is the women and girl children who are the most deprived (Ghosh, 2003). The large number of well meaning policies and

vision statements - and their translation into budgetary allocations at all levels - need to be viewed in this context, for the gap between vision and reality now desperately needs to be bridged.

### **Recent Policy Statements: Some Highlights**

At the outset of his Budget Speech 2003-2004 on page 1, para 3, the Finance Minister said that:

"At the core of our economic endeavour and management of the country's finances are the interests of our citizens; all this effort is for their total well being. That is our central objective, towards which the NDA government has a non-negotiable commitment. Through Budget 2003-2004, the Government, therefore, addresses the following objectives, as 'Panch Priorities', for our citizens and for the economic security of our country, though these are not listed in any hierarchical order of importance:

- a) poverty eradication; addressing the 'life time concerns' of our citizens, covering health, housing, education and employment;
- b) infrastructure development;
- c) fiscal consolidation through tax reforms and progressive elimination of budgetary drags, including reform of the additional excise duty, introduction reform of the additional excise duty, introduction of service tax, and introduction of Value Added Tax (VAT) from April 1, 2003 at the State level.
- d) agriculture and related aspects including irrigation; and
- e) enhancing manufacturing sector efficiency, including promotion of exports and further acceleration of the reform process."

Explaining the conceptual underpinning of these panch priorities, he said on page 2 that

"for converting the liability of want into the asset of ability, **eradication of poverty is crucial**; that is **the moral and economic issue of our times**. Too often it is observed that **budgetary exercises float over the wide mass of India, relating only to a few.**"

And further, on page 4 of the Budget Speech, that

"For eliminating poverty, it is only reforms that result in sustained growth and **high employment that are a durable solution** and that **the disadvantaged must be the first charge on our exchequer**".

In the foreword to the recently released Tenth Plan, the Prime Minister said that:

"I have a vision of an India free of poverty, illiteracy and homelessness – free of regional, social and gender disparities – with modern physical and social infrastructure – and a healthy and sustainable environment.....The most pressing challenge facing us in the coming years will be to provide every Indian with the opportunity to realize his or her full creative potential. Demographic trends indicate that the rate of growth of our working age population during the next ten years will be the highest we have ever experienced, and unless we achieve a significant improvement in the pace of creation

of work opportunities, there will be an increase in the level of unemployment. Such a situation cannot be allowed to materialize.”

In the same vein, the Economic Survey, 2002-03 and the Tenth Plan document emphasize the Millennium Development Goals (MDGs) and set monitorable targets for eradicating poverty and achieving development. The MDGs refer to developing a global partnership for development so as to eradicate extreme poverty and hunger, achieve universal primary education, eliminate gender disparities in education, promote gender equality and empower women, reduce infant and child mortality, improve maternal health and reduce MMR, combat HIV/AIDS, malaria and other diseases, ensure environmental sustainability, halve the proportion of people without sustainable safe drinking water and achieve by 2020, a significant improvement in the lives of at least 100 million slum dwellers.

Taking the cue from the MDGs or goals for development and poverty eradication set at the UN General Assembly in 2000, to which we are a signatory, the tenth plan lists monitorable targets that include the reduction of poverty ratio, providing gainful and high-quality employment, all children in school, reduction in gender gaps in literacy and wage rates, reduction in the decadal rate of population growth, increase in literacy rates, reduction of Infant mortality rate (IMR) and Maternal mortality ratio (MMR), increase in forest and tree cover, all villages to have sustained access to potable drinking water and cleaning of all major polluted rivers.

**BOX 1 : MONITORABLE TARGETS FOR THE TENTH PLAN AND BEYOND**

- Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012;
- Providing gainful and high-quality employment at least to the addition to the labour force over the Tenth Plan period;
- All children in school by 2003; all children to complete 5 years of schooling by 2007;
- Reduction in gender gaps in literacy and wage rates by at least 50 per cent by 2007;
- Reduction in the decadal rate of population growth between 2001 and 2011 to 16.2 per cent;
- Increase in Literacy rates to 75 per cent within the Plan period;
- Reduction of Infant mortality rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012;
- Reduction of Maternal mortality ratio (MMR) to 2 per 1000 live births by 2007 and to 1 by 2012;
- Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012;
- All villages to have sustained access to potable drinking water within the Plan period;
- Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012.

**Source: Government of India, Tenth Five Year Plan, 2002-2007, Volume I, Box 1.1, p.6**

## **Vision, Goals and Reality**

The budget should reflect financial allocations to ensure attainment of goals set in policy and vision statements. The reality however shows the existence of a large chasm between

- a) vision statements or stated objectives or targets,
- b) budgetary allocations made to attain these targets and
- c) the prevailing grassroots reality

Resolving this needs national commitment to giving first priority **to or "first charge on our exchequer" to "the disadvantaged"** in any budget, however constrained. In other words, correcting historical disparities must get priority **over and above any and every other goal**.

While separating the benefits received by males and females from expenditure on maintenance of law and order may be difficult, male and female preferences and priorities may differ. For instance in the different subheads under the head maintenance of law and order, women may want more emphasis on special cells to deal with domestic violence or for night patrolling, while men may emphasize better traffic control. (Banerjee, 2003).

This paper uses existing research to reprioritize the allocation of government expenditure so as to give first charge on the exchequer to the needs of the 260 to 300 million Indians who live below the poverty line and the 496 million Indian women, many of whom suffer disproportionately high incidence of multiple deprivation<sup>1</sup>.

## **II. Budget priorities at the Micro Household Level given a Budget Constraint:**

### **How do women allocate resources?**

Routinely, when women are able to exercise choice in determining household budget allocation, they give the highest priority to providing nutritious food for the family with the objective of ensuring good health and lower mortality or morbidity for each member of the household. Purchase of required quantities of food and other necessities requires access to money or purchasing power. This in turn depends on current income or borrowing or wealth. Most of us do not have wealth and would prefer not to borrow. While the flow of income can accrue from returns to labour, interest on savings in various instruments, dividends, profits, etc. for most of us, the income we earn depends on:

- a) availability of work or employment opportunities for the able bodied and
- b) fair remuneration or wages/salaries received for work.

Good health and lower mortality rates in turn depend on a large number of factors that include:

- a) adequate nutrients in food and in the way it is cooked and stored
- b) access to safe drinking water for drinking, cooking and washing

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<sup>1</sup> See for example, Cagatay et al, 2000.

- c) safe disposal of sewage to ensure no contamination of drinking water sources and spread of disease
- d) reduction in levels of drudgery in work
- e) access to inexpensive but quality medical care and medication in times of ill health.

**III. Budget priorities at the Macro National Level given a Budget Constraint: Priorities in budget allocation viewed through a Gender and Poverty Sensitive Lens**

**Key Priorities**

**1) Poverty Reduction**

Over the last five decades, systematic efforts have been made to alleviate poverty through

- increasing economic growth,
- direct attacks on poverty using targeted programmes,
- land and tenancy reforms,
- participatory and empowerment based approaches and
- provision of basic minimum services.

As a result of these efforts, the incidence of poverty has declined from 54.9 per cent in 1973-74 to reportedly 26.1 per cent in 1999-2000 (See Table 1).

Table 1 : Incidence of Poverty in India – Percentage of Population and Number of People Below the Poverty Line 1973-74 to 1999-2000.

| Year      | Percentage population below the poverty line | Number of poor (millions) |
|-----------|--|---------------------------|
| 1973-74   | 54.9   | 321.3                     |
| 1977-78   | 51.3   | 328.9                     |
| 1983      | 44.5   | 322.9                     |
| 1987-88   | 38.9   | 307.1                     |
| 1993-94   | 36   | 320.3                     |
| 1999-2000 | 26.1   | 260.2                     |

Source: Planning Commission Draft Ninth Five Year Plan (1997-2002) and Government of India, Poverty Estimates for 1999-2000, Press Information Bureau, 22<sup>nd</sup> February, 2001.

However, we still have large numbers of people for whom Poverty is intractable and Who have remained marginalized. Further, not only are estimates of poverty high at any given point of time but a large number of those below the poverty line are chronically poor. (Mehta and Shah, 2001).

Using state level data for 1970-93 Fan, Hazell and Thorat (1999) show that additional government expenditure on roads has the largest impact on poverty reduction as well as a significant impact on productivity growth. To decrease rural poverty the state should give priority to increasing its spending on rural roads and agricultural research and extension as these types of investment not only have a large impact on poverty per rupee spent but also produce the greatest growth in agricultural productivity.

**Evidence from panel data studies suggests that important determinants of poverty** are caste, tribe and household demographic composition. The probability of being chronically poor is greater for casual agricultural labour, landless households, illiterate households and larger households with more children. Factors that explain persistence of poverty include belonging to a scheduled tribe, larger household size, increase in household size, larger number of dependent children and increase in number of dependent children. (Bhide and Mehta, 2003).

**Factors that drive escape from poverty are literacy, ownership of or access to income from physical assets, increased incomes from physical assets, irrigation and crop intensification, infrastructure and having a large urban population in the neighbourhood. (Bhide and Mehta, 2003).** Similarly, perceived reasons for decline into poverty include shocks such as high health care costs, crop failure, adverse market conditions, Loss of assets, high interest from private money lenders and social expenses on deaths and marriages. (Krishna, 2003). All of these can be addressed by policies and/or programmes. These findings suggest that to help escape from poverty, greater emphasis should be placed on literacy, infrastructure development and increased backward and forward linkages with urban areas while prevention of entry into poverty may be facilitated by policies that help reduce the impact of health care related shocks or costs and high interest debt. (Shepherd and Mehta, forthcoming).

It is important to stress that “while a government’s budget directly or indirectly affects the life of all its citizens, frequently people with modest means are influenced the most”. Further, “budget cuts tend to fall on programs that benefit the poor, as other items such as interest on the debt or the public-sector wage bill are more likely to have first claim on scarce funds. Moreover, even when funds have been allocated to anti-poverty programs, weak expenditure and program management - and the lack of political power among the poor - can mean that the money never reaches the intended beneficiaries” (The International Budget Project, 2001).

## **2) Unemployment**

Among other targets, the Tenth plan also aims to provide gainful and high-quality employment at least to the addition to the labour force over the Tenth Plan period. However, the results of the 55<sup>th</sup> round NSS survey are worrying and show that the rate of growth of employment on current daily status declined from 2.7 per cent per annum in 1983-94 to 1.07 per cent per annum in 1994-2000 (See Table 2 below). In this context the SP Gupta Committee (Special Group on Targeting 10 million Employment Opportunities per year) has noted that:

- The present rising unemployment is primarily an outcome of a declining job creating capacity of growth, observed since 1993-94.

- The employment growth fell to 1.07 per cent per annum (between 1993-94 and 1999-2000) from 2.7 per cent p.a. in the past (between 1983 and 1993-94) in spite of acceleration in GDP growth from 5.2 per cent between 1983 and 1993-94 to 6.7 per cent between 1993-94 and 1999-2000.
- Employment elasticity of output has gone down from 0.52 over the years 1983 to 1993-94 to 0.16 over 1993-94 to 1999-00.
- This is primarily because of the present policy of shedding excess labour in order to meet the growing market competition and the pattern of growth, moving in favour of capital intensive sectors.
- If the experiences of the late nineties are extrapolated, then India is going to face increasingly higher incidence of unemployment.

Table 2 : Past and Present macro employment and unemployment (CDS Basis) (Person years)

|                              | Million | Million          | Million   | Growth Per annum (per cent) | Growth Per annum (per cent) |
|------------------------------|---------|------------------|-----------|-----------------------------|-----------------------------|
|                              | 1983    | 1993-94          | 1999-2000 | 1983 to 1993-94             | 1993-94 to 1999-2000        |
|                              |         | <b>All India</b> |           |                             |                             |
| Population                   | 718.20  | 894.01           | 1003.97   | 2.00                        | 1.95                        |
| Labour Force                 | 261.33  | 335.97           | 363.33    | 2.43                        | 1.31                        |
| Workforce                    | 239.57  | 315.84           | 336.75    | 2.70                        | 1.07                        |
| Unemployment rate (per cent) | (8.30)  | (5.99)           | (7.32)    |                             |                             |
| No. of unemployed            | 21.76   | 20.13            | 26.58     | -0.08                       | 4.74                        |

Source: Economic Survey, p. 218

The Group also points out that in future, because of the limit in the absorbing capacity for additional employment in the organized sector, education and skills need to be oriented towards the needs of the unorganized sector like agriculture, small industry, services and the self-employed, as also the new areas like IT, tourism and financial sectors. They sound a note of caution and state that unless the cause of employment is taken up on a high priority basis, the unemployment at the end of the 10<sup>th</sup> Plan will be nearly 10 per cent of the labour force, with severe socio-economic implications, especially in certain areas and among certain section of the population. The clear message therefore is that unless steps are taken on a "high priority basis" unemployment will rise, and the target of providing gainful and high-quality employment at least to the addition to the labour force over the

Tenth Plan period will not be achieved. Further there will be consequences of this in terms of unrest and conflict generated by the increasing inequalities between different classes of society.

### **3) Drinking Water<sup>2</sup> (Mehta and Menon, 2001)**

Public provisioning of safe and adequate drinking water to all citizens is the primary responsibility of the state. The Conference of Chief Ministers held in July, 1996, recommended the adoption of an all out effort to attain 100 per cent coverage of seven basic minimum services for all citizens of India by 2000 A.D. The Chief Ministers were aware of the 'paramount importance (of basic minimum services) in securing a better quality of life for our people, especially those residing in rural areas'. Heading this list was 100 per cent provision or coverage of the population with access to safe drinking water. State failure to meet this target is woefully evident with frequent reports of water scarcity. With newspaper editorials predicting the worst ever water crisis and televised coverage of water tankers being sent to villages under police escort to prevent rioting during the scramble for the abysmally poor supply of water, 100 per cent coverage still remains a distant dream. Water is precious and drinking water even more so. State failure in provision of drinking water occurs on many counts - lack of universal access, lack of achievement of minimum consumption norms, irregularity of supply, distance from source and quality. Poor quality of water can have serious health related ramifications.

A nationwide survey showed that over 43.5 million people living in 1.42 lakh habitations are at health risks due to problems of drinking water quality like excess fluoride, arsenic, salinity, iron and chemical pollutants like pesticides and insecticides. (Chand, 1999). In India, many of the water borne diseases such as gastroenteritis, diarrhoea, dysentery, cholera etc. owe their origins to the pathogens present in drinking water. Several diseases like diarrhoea, hepatitis, ascariasis (roundworm), hookworm infection, trachoma, and guineaworm have been linked to human contact with polluted water. The World Bank and WHO have estimated that in India 21 per cent of all communicable diseases (11.5 per cent of all diseases) are water related. (Parikh, 1999-00). They estimate that every year 1.5 million children under 5 years die in India of water related diseases and the country loses 1800 million person hours (over 200 million person days) each year due to these water borne diseases. A quantitative measure that integrates premature deaths and temporary disability due to diseases is Disability Adjusted Life Years (DALYs). About 30.5 million DALYs is worth Rs. 36,600 crores. Thus the country should be willing to spend that much annually to provide clean drinking water to all. Improvements in water supply and sanitation can substantially reduce the incidence and severity of these diseases as well as the infant mortality associated with diarrhoea.

Less than 20 per cent of people surveyed were aware of the link between drinking unsafe water and diarrhoeal disease which kill over 15 lakh children under five every year. (Durgaprasad, 1996). Casual labourers cannot afford to take time off from work in case of ill health. The food that they and their families eat depends on the money earned from working that day. Poor quality of water can

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<sup>2</sup> This section is based primarily on Aasha Kapur Mehta and Nikhila Menon, Drinking Water, Alternative Economic Survey, 2001.

have serious health related ramifications in terms of causing water borne diseases originating from the pathogens present in drinking water. Additionally, several states report problems due to occurrence of arsenic, fluoride contamination and excess iron in ground water as also inland salinity caused by over exploitation of ground water and excessive surface irrigation.

### **Opportunity cost of time and drudgery in collecting water for the household**

According to the studies done by the Indian Market Research Bureau in India, households that collect drinking water from exposed sources like ponds, lakes, canals, etc. visited dug wells about 12 times a day, public hand-pumps and taps nine times, exposed sources like lakes six times. The distances travelled ranged from 100 meters to 400 meters and in some states over 1,000 meters. Approximately, two and half hour's time is spent in the above process. Being the principal water collector in Indian households, women spend over two hours and walk about 1,000 meters to collect about 190 litres of water per day per household. (Durgaprasad, 1996). The time taken to collect water is time taken away from other activities including participation in the labour market.

### **Use of Bottled Water and Filters – access for the privileged**

Due to state failure in providing access to safe drinking water, 'bottled water' has come to play a major role in various cities and towns. The growth of the bottled water business has been phenomenal and was estimated to be around Rs.1,100 crores in India as on June 22, 2000. (Free Press Business Journal, 2000). This market is expected to grow by 70 per cent. Water shortage in cities and towns has led to the spurt in the growth of companies marketing 'bottled water' as a substitute for tap water. The sector is flourishing because of the public fear that water supplied by civic bodies is impure and unreliable.

In addition to the 'bottled mineral water' business, the manufacturers of various types of filtering devices are also having a flourishing business. NSS results (Sarvekshana, 2000) show that a significantly higher percentage of households in urban areas filtered or boiled their drinking water i.e. an estimated 36 per cent of urban households practiced filtration as against an estimated 18 per cent in rural areas.

For filtration, people spend around Rs.220 to Rs.20,000 for installing devices to filter the impure contaminated water supplied by the government authorities through the piped water supply lines. One of the leading manufacturers of filtering systems has claimed that around 40,000 units are being sold annually in a city like Delhi and for the country as a whole, it is more than 2,70,000 per annum. These units are priced between Rs.6,000 and Rs.7,500. There are other less expensive as well as more expensive filtering devices marketed by local manufacturers and others in both the organized and informal sectors. (Consumer Voice, 2000). Even these filters may not conform to quality standards and the government has no strict standard or regulations applicable to them either. Hence, the drinking water scenario in India is evolving into a major crisis and tough measures need to be taken to bring some respite for the people who face a crisis on the waterfront as a daily routine.

These are privately allocated costs to make up for poor quality of an irregularly supplied publicly provided good that should have high priority in budget allocation. With each household in a locality spending money on pumps and filtration devices, the costs of private provisioning are high. Given economies of scale, public provisioning would be cost effective and the money spent on filtration devices or on scarce and expensive fuel used to boil water in households could readily be transferred to the state, provided there is assurance of "safe" regular and reliable water supply.

#### **4) Hunger And Lack Of Availability Of Two Square Meals A Day<sup>3</sup> (Kala and Mehta, 2002).**

Hunger is the starkest indicator of severe poverty. It is estimated that India has 20 percent of the global child population but accounts for 40 per cent of the world's malnourished children. (Measham and Chatterjee, 1999). Measham and Chatterjee identify the three main causes of malnutrition among young children and pregnant women to be inadequate food intakes; disease, including common diarrhoea; and deleterious caring practices, such as delayed complementary feeding. Poverty and gender inequality are among the most important factors that explain the high level of undernourishment. Empirical research on the nutritional condition of children below five years in two villages of West Bengal provides firm evidence of the remarkably high incidence of undernourishment and also of systematic sex bias reflected in higher deprivation of girls vis-à-vis boys. (Sen and Sengupta, 1983).

*The Report of the State of Food Insecurity in the World, 1999* estimates that in the developing world, 790 million people do not have enough to eat. India alone has more undernourished people (204 million) than all of sub-Saharan Africa combined. While access of all to adequate quantities of nutritive food is extremely desirable, within the 204 million people identified as undernourished in India by the Report of the State of Food Insecurity in the World, 1999 state failure is reflected in that there the existence of is a subset within this group of 204 million undernourished people in India, who are unable to access even two square meals a day. It is this subset to which we attempt to draw attention as the starkest indicator of chronic poverty in the severely deprived sense.

The NSS 50<sup>th</sup> round (1993-94) provides information (at the household level) regarding availability of two square meals a day:

- a. throughout the year
- b. only during some months of the year
- c. not getting two square meals a day even in some months of the year.

Analysis of this data shows that hunger was more widespread in rural than in urban areas. 4.2 per cent of rural and 1.1 per cent of urban households reported getting two square meals a day only during some months of the year. Those not getting two square meals a day even in some months of the year constituted 0.9 per cent of rural and 0.5 per cent of urban households (See Table 3).

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<sup>3</sup> This section is based primarily on Shalini Kala and Aasha Kapur Mehta, Hunger and Starvation, Alternative Economic Survey, 2001-02

The lowest monthly per capita expenditure class was less than Rs.120 in rural and less than Rs.160 in urban areas. This is less than 60 per cent of the poverty line set at Rs.205 (per capita per month) for rural and Rs.281 for urban areas in 1993-94. As expected, the proportion of households reporting availability of two square meals a day only in some months, category (b), or not even in some months of the year, category (c), was highest in the lowest monthly per capita expenditure (MPCE) class. As many as 11.8 per cent of rural and 4.5 per cent of urban households in the lowest MPCE class were estimated to be in category (b) while 3.4 per cent of rural and 3.3 per cent of urban households in this class were in category (c).

Table 3 : Percentage distribution of households by availability of two square meals a day at the National level Households Getting Two Square Meals a Day

| <b>Households getting two square meals a day</b> |                     |                                 |                                     |     |
|--|---------------------|---------------------------------|-------------------------------------|-----|
|  | Throughout the year | Only in some months of the year | Not even in some months of the year | All |
| <b>Rural India</b>                               |                     |                                 |                                     |     |
| Less than Rs. 120 MPCE                           | 84.2                | 11.8                            | 3.4                                 | 100 |
| All Classes                                      | 98.5                | 4.2                             | 0.9                                 | 100 |
| <b>Urban India</b>                               |                     |                                 |                                     |     |
| Less than Rs. 160 MPCE                           | 91.9                | 4.5                             | 3.3                                 | 100 |
| All Classes                                      | 98.1                | 1.1                             | 0.5                                 | 100 |

Source: NSS 50th Round (1993-94) Report No. 415

Inadequacy of food intake was especially severe in rural households in Orissa, West Bengal, Kerala, Assam, Bihar and Maharashtra and urban households in Kerala, Orissa, West Bengal and Assam. The largest incidence of non-availability of two square meals occurred during the months of June, July, August and September.

The circumstances leading to hunger and starvation may be different for the chronically poor tribal in Orissa and the Andhra powerloom weaver who suddenly faces severe poverty, indebtedness and starvation due to an inability to compete with cheaper substitutes due to policy change. However, the underlying cause of starvation in both situations is severe poverty – whether long duration or transitory.

## **5) Female-Male Ratio**

Gender discrimination is clearly revealed in statistics pertaining to the female – male ratio. The sex ratio for the 0-6 age group declined steeply from 945 in 1991 to 927 in 2001, implying that millions of girls went missing in just a decade. A falling child sex ratio could be due to several factors–

foeticide, neglect, infanticide – and “reflects reduced tolerance for girl children in the society”. (Singh, 2002-03).

**Table 4 : Census 2001 – Sex Ratio Variations**

| <b>India/States/UTs</b>  | <b>Sex ratio 2001</b> | <b>Rank</b> | <b>Sex ratio for 0-6 only</b> |
|--------------------------|-----------------------|-------------|-------------------------------|
| <b>Kerala</b>            | 1,058                 | 1           | 962                           |
| <b>Pondicherry</b>       | 1000                  | 2           | 958                           |
| <b>Chattisgarh</b>       | 990                   | 3           | 975                           |
| <b>Tamil Nadu</b>        | 986                   | 4           | 939                           |
| <b>Manipur</b>           | 978                   | 5           | 961                           |
| <b>Andhra Pradesh</b>    | 978                   | 6           | 964                           |
| <b>Meghalaya</b>         | 975                   | 7           | 975                           |
| <b>Orissa</b>            | 972                   | 8           | 950                           |
| <b>Himachal Pradesh</b>  | 970                   | 9           | 897                           |
| <b>Uttaranchal</b>       | 964                   | 10          | 906                           |
| <b>Karnataka</b>         | 964                   | 11          | 949                           |
| <b>Goa</b>               | 960                   | 12          | 933                           |
| <b>Tripura</b>           | 950                   | 13          | 975                           |
| <b>Lakshadweep</b>       | 947                   | 14          | 974                           |
| <b>Jharkhand</b>         | 941                   | 15          | 966                           |
| <b>Mizoram</b>           | 938                   | 16          | 971                           |
| <b>West Bengal</b>       | 934                   | 17          | 963                           |
| <b>India</b>             | 933                   |             | 927                           |
| <b>Assam</b>             | 932                   | 18          | 964                           |
| <b>Maharashtra</b>       | 922                   | 19          | 917                           |
| <b>Rajasthan</b>         | 922                   | 20          | 909                           |
| <b>Gujarat</b>           | 921                   | 21          | 878                           |
| <b>Bihar</b>             | 921                   | 22          | 938                           |
| <b>Madhya Pradesh</b>    | 920                   | 23          | 929                           |
| <b>Nagaland</b>          | 909                   | 24          | 975                           |
| <b>Arunachal Pradesh</b> | 901                   | 25          | 961                           |
| <b>Jammu and Kashmir</b> | 900                   | 26          | 937                           |
| <b>Uttar Pradesh</b>     | 898                   | 27          | 916                           |

| India/States/UTs           | Sex ratio 2001 | Rank | Sex ratio for 0-6 only |
|----------------------------|----------------|------|------------------------|
| Sikkim                     | 875            | 28   | 986                    |
| Punjab                     | 874            | 29   | 793                    |
| Haryana                    | 861            | 30   | 820                    |
| Andaman and Nicobar Island | 846            | 31   | 965                    |
| Delhi                      | 821            | 32   | 865                    |
| Dadra and Nagar Haveli     | 811            | 33   | 973                    |
| Chandigarh                 | 773            | 34   | 845                    |
| Daman and Diu              | 709            | 35   | 925                    |

Source : RGI, India - \*Estimated male live births per 1000 female live births  
Based on SRS.

## 6) Health and Literacy Gaps and Indicators

Gender discrimination is equally visible in several health and literacy indicators. There are wide-ranging inter-connections between three aspects of human deprivation in India (low literacy, endemic undernutrition and social inequality). Both gender inequality and educational backwardness are crucial causal antecedents of endemic undernutrition. Indeed, women's education has emerged in many empirical investigations as one of the most powerful determinants of child health. Based on data for a sample of 296 districts in 14 states accounting for 94 per cent of India's population; Murthi, Guio and Dreze find that female literacy has a negative and statistically significant effect on child mortality, (the effect on female child mortality is larger). Maternal education results in increased knowledge about nutrition, hygiene and health care and this is significant in the context of the "remarkably uninformed and deficient nature of child-care practices in large parts of rural India". Basic education helps mothers to take advantage of public health-care services, thereby reducing child mortality. (Mehta, 1998).

Whether we look at the estimated incidence of child undernourishment, or of low birth weights, or of anaemia among pregnant women, India fares poorly. In fact, among all countries for which estimates are available, none does worse than India in any of these respects, with the possible exception of Bangladesh. More than half of all Indian children are undernourished (in terms of standard 'weight for age' criteria), and the incidence of anaemia among pregnant women is estimated to be as high as 88 per cent. These are catastrophic failures, with wide-ranging implications not only for the people of India today, but also for the generations to be born in the near future. (See tables 5,6 and 7 below).

Table 5 : Per Capita Expenditure, Mortality Rates and Literacy

|                  | Avg HH exp.        | IMR      | Estimated               | Literacy Rate, age 7+ 2001<br>(per cent) |      |
|------------------|--------------------|----------|-------------------------|--|------|
|                  | per capita 1997-99 |          | MMR                     | Female                                   | Male |
|                  | (Rs/mth)           | Per 1000 | 1987-96                 |  |      |
|                  | 1999-2000          |          | (per 1 lakh live birth) |  |      |
| <b>STATES</b>    |                    |          |                         |  |      |
| AP               | 541                | 65       | 283                     | 51                                       | 71   |
| Assam            | 475                | 76       | 984                     | 56                                       | 72   |
| Bihar            | 414                | 68       | 513                     | 35                                       | 62   |
| Gujarat          | 678                | 63       | 596                     | 59                                       | 81   |
| Haryana          | 771                | 69       | 472                     | 56                                       | 79   |
| Himachal Pradesh | 740                | 63       | n/a                     | 68                                       | 86   |
| Jammu & Kashmir  | 745                | 45       | n/a                     | 42                                       | 66   |
| Karnataka        | 640                | 56       | 480                     | 57                                       | 76   |
| Kerala           | 810                | 14       | n/a                     | 88                                       | 94   |
| Madhya Pradesh   | 475                | 93       | 700                     | 51                                       | 77   |
| Maharashtra      | 699                | 48       | 380                     | 68                                       | 86   |
| Orissa           | 410                | 97       | 597                     | 51                                       | 76   |
| Punjab           | 795                | 53       | n/a                     | 64                                       | 76   |
| Rajasthan        | 607                | 83       | 580                     | 44                                       | 76   |
| Tamil Nadu       | 715                | 53       | 195                     | 65                                       | 82   |
| Uttar Pradesh    | 514                | 84       | 737                     | 44                                       | 71   |
| West Bengal      | 571                | 53       | 458                     | 60                                       | 78   |
| All India        | 589                | 71       | 479                     | 54                                       | 76   |

Source: Dreze and Sen, 2002, India: Development and Participation, Table A3

Table 6: Proportion of children suffering from Undernourishment and Anaemia

| States      | Proportion of severely undernourished children below age 3 1998-99 | Proportion of severely undernourished children below age 3 1998-99 | Proportion of severely undernourished children below age 3 1998-99 | Proportion of children (between 6-35 mths) with moderate or severe anaemia 1998-99 |
|-------------|--|--|--|--|
|             | Weight-for-age   | Height-for-age   | Weight-for-Height  |  |
| AP          | 10   | 14   | 1.6  | 49   |
| Assam       | 13   | 34   | 3.3  | 32   |
| Bihar       | 26   | 34   | 5.5  | 54   |
| Gujarat     | 16   | 23   | 2.4  | 50   |
| Haryana     | 10   | 24   | 0.8  | 66   |
| HP          | 12   | 18   | 3.3  | 41   |
| J&K         | 8  | 17   | 1.2  | 42   |
| Karnataka   | 17   | 16   | 3.9  | 51   |
| Kerala      | 5  | 7  | 0.7  | 19   |
| MP          | 24   | 28   | 4.3  | 53   |
| Maharashtra | 18   | 14   | 2.5  | 52   |
| Orissa      | 21   | 18   | 2.9  | 46   |
| Punjab      | 9  | 17   | 0.8  | 63   |
| Rajasthan   | 21   | 29   | 1.9  | 62   |
| TN          | 11   | 12   | 3.8  | 47   |
| UP          | 22   | 31   | 2.1  | 55   |
| WB          | 16   | 19   | 1.6  | 52   |
| All India   | 18   | 23   | 2.8  | 51   |

Source: Dreze and Sen, 2002, India: Development and Participation, Table A3

Table 7: Percentage of Women with Anaemia

| <b>STATES</b>     | <b>MILD ANAEMIA</b> | <b>MODERATE ANAEMIA</b> | <b>SEVERE ANAEMIA</b> | <b>TOTAL</b> |
|-------------------|---------------------|-------------------------|-----------------------|--------------|
| Andhra Pradesh    | 32.5                | 14.9                    | 2.4                   | 49.8         |
| Arunachal Pradesh | 50.6                | 11.3                    | 0.6                   | 62.5         |
| Assam             | 43.2                | 25.6                    | 0.9                   | 69.7         |
| Bihar             | 42.9                | 19                      | 1.5                   | 63.1         |
| Delhi             | 29.6                | 9.6                     | 1.3                   | 40.5         |
| Goa               | 27.3                | 8.1                     | 1                     | 36.4         |
| Gujarat           | 29.5                | 14.4                    | 2.5                   | 46.3         |
| Haryana           | 30.9                | 14.5                    | 1.6                   | 47           |
| Himachal Pradesh  | 31.4                | 8.4                     | 0.7                   | 40.5         |
| Jammu and Kashmir | 39.3                | 17.6                    | 1.9                   | 58.7         |
| Karnataka         | 26.7                | 13.4                    | 2.3                   | 42.4         |
| Kerala            | 19.5                | 2.7                     | 0.5                   | 22.7         |
| Madhya Pradesh    | 37.6                | 15.6                    | 1                     | 54.3         |
| Maharashtra       | 31.5                | 14.1                    | 2.9                   | 48.5         |
| Manipur           | 21.7                | 6.3                     | 0.8                   | 28.9         |
| Meghalaya         | 33.4                | 27.5                    | 2.4                   | 63.3         |
| Mizoram           | 35.2                | 12.1                    | 0.7                   | 48           |
| Nagaland          | 27.8                | 9.6                     | 1                     | 38.4         |
| Orissa            | 45.1                | 16.4                    | 1.6                   | 63           |
| Punjab            | 28.4                | 12.3                    | 0.7                   | 41.4         |
| Rajasthan         | 32.3                | 14.1                    | 2.1                   | 48.5         |
| Sikkim            | 37.3                | 21.4                    | 2.4                   | 61.1         |
| Tamil Nadu        | 36.7                | 15.9                    | 3.9                   | 56.5         |
| Uttar Pradesh     | 33.5                | 13.7                    | 1.5                   | 48.7         |
| West Bengal       | 45.3                | 15.9                    | 1.5                   | 62.7         |
| <b>India</b>      | <b>35</b>           | <b>14.8</b>             | <b>1.9</b>            | <b>51.8</b>  |

Source: Women and Men in India 2001, CSO, Ministry of Statistics and Programme Implementation

## **7) Statistical Invisibility of Women's Work<sup>4</sup> (Mehta, 2001).**

Serious inaccuracies and measurement failure occur in the recording of the work that women do. There are basically two kinds of work - work for which payment is received and work for which no payment is made. (Krishnaraj, 1990). Women are known to work longer hours than men and the fact is that women participate in the work force to a far greater extent than is measured by the data. But a lot of the work they do is unrecognised, let alone equally remunerated. Our mechanisms of data collection result in loss of significant information. (Mehta, 1996). This has an impact on the status of women in society, their opportunities in public life and the gender blindness of development policy. (HDR, 1995).

Traditionally, men spend most of their time on tasks for which payment is received or tasks that are clearly within the realm of "economic activity." Hence there is not much variation in the percentage of men reported as workers (roughly 50 per cent of men) regardless of the methodology used for data collection. However, while a large number of women work outside the home and are remunerated for the work they do, most women spend several hours doing work for which no payment is received. "Men are concentrated in the market-oriented side of the continuum of work and women in the statistically less visible, non-monetised subsistence production and domestic side; the latter account for 60 per cent of the unpaid family workers, and 98 per cent of those engaged in domestic work". (IBRD, 1991).

Work for which no payment is received includes two categories of tasks:

- a) those which are considered as necessary for survival but which are not included in economic activity and calculations of National Income in any country, i.e., domestic work like cooking, cleaning, child care, caring for the sick or elderly or handicapped. These are arduous tasks that have to be performed on a daily basis and from which there is no respite. These are also tasks that are traditionally perceived as "women's work" or roles within the home, or work of a housewife, i.e., women reported as not working.
- b) those, which are recognised as constituting economic activity and which should correctly be included in calculations of National Income but which are often missed. These are tasks for which no payment is made when they are performed for the family, such as subsistence activities involving kitchen gardening, post-harvest processing, feeding of farm hands or hired labour, livestock maintenance, gathering of fuel, fodder, water and forest produce, unpaid family labour in family farm or family enterprise and so on. Again, these are tasks that are generally performed by women. Since the tasks are performed together with work that a housewife does in any case, i.e., tasks listed in (a) above, women performing these tasks tend to report themselves as "housewives" or "not working".

As a result statistics regarding the percentage of women who work are very sensitive to the methodology used for data collection.

<sup>4</sup> This section is based primarily on Aasha Kapur Mehta, Statistical Invisibility of Women's Work, Manushi, Nov 2001

Data on labour force participation are available mainly from two sources: the decennial census and the quinquennial National Sample Survey.

### Official Statistics

Census estimates for 2001 report 51.93 per cent of the male population as workers as compared with 25.6 per cent of the female population as workers. NSS estimates 54.5 per cent of males and 28.6 per cent of females as workers in 1993-94 and 52.7 per cent of males and 25.68 per cent of females in 1999-00.

Table 8 : Percent Population comprising Main, Marginal and Total Workers by Gender

|                  | 2001  |        | 1991  |        | 1981  |        | 1971  |        |
|------------------|-------|--------|-------|--------|-------|--------|-------|--------|
|                  | Male  | Female | Male  | Female | Male  | Female | Male  | Female |
| Total Population | 100   | 100    | 100   | 100    | 100   | 100    | 100   | 100    |
| Main Workers     |       |        | 50.93 | 15.93  | 51.62 | 13.99  | 52.51 | 11.87  |
| Marginal workers |       |        | 0.62  | 6.32   | 1.03  | 5.77   |       |        |
| Total workers    | 51.93 | 25.68  | 51.55 | 22.25  | 52.65 | 19.77  | 52.51 | 11.87  |

Source : Calculations based on Census Estimates

Table 9 : Worker Population Ratio by Sex (Census and NSS Survey), 1971-94

| Year of Census<br>NSS survey | Persons |        | Males |        | Females |        |
|------------------------------|---------|--------|-------|--------|---------|--------|
|                              | NSS     | Census | NSS   | Census | NSS     | Census |
| 1971 Census                  |         | 34     |       | 52.7   |         | 13.9   |
| 1972-73 NSS                  | 40.7    |        | 52.7  |        | 27.8    |        |
| 1977-78 NSS                  | 41.6    |        | 53.4  |        | 28.9    |        |
| 1981 Census                  |         | 36.8   |       | 52.6   |         | 19.8   |
| 1983 NSS                     | 41.8    |        | 53.5  |        | 29.3    |        |
| 1987-88 NSS                  | 40.9    |        | 53    |        | 28      |        |
| 1991 Census                  |         | 37.5   |       | 51.6   |         | 22.3   |
| 1993-94 NSS                  | 42      |        | 54.5  |        | 28.6    |        |
| 1999-00 NSS                  | 39.7    |        | 52.7  |        | 25.68   |        |
| 2001 Census<br>(Provisional) |         | 39.26  |       | 51.93  |         | 25.9   |

Source: Pravin Visaria based on Census and NSS Estimates as reported in Level and Pattern of Female Employment, 1911-1994, in T.S. Papola and Alakh N. Sharma (edited), Gender and Employment in India, Vikas Publishing House, New Delhi, 1999, p. 24; Census and NSS Estimates.

Based on work force participation rates for males and females in the four census surveys since 1971 and six NSS quinquennial surveys between 1972-73 and 1999-00, (Tables 8 and 9 above) it can be said that :

- Regardless of source, i.e., Census or NSS, over 50 per cent of males are reported as workers.
- Female work force participation rates vary considerably between census and NSS estimates. The 1971 Census reported 11.9 per cent of women as workers, (13.9 per cent according to the Table in Visaria given above) the 1981 Census 19.8 per cent, 1991 Census, 22.3 per cent and 2001 Census, 25.68 per cent. While the estimates improve with each decade, the basic fact of considerable under-enumeration does not change. NSS estimates improve further on Census estimates but also suffer from a strong downward bias.
- NSS estimates show that most males are employed in relatively stable employment - between 51 per cent to 53 per cent of males are employed in principal status and only 1.3 per cent to 1.9 per cent in subsidiary status. A significant proportion (about 25 per cent) of females who are in employment have unstable jobs. (20.6 per cent to 21.8 per cent of females are employed in principal status and about 7 per cent to 8 per cent in subsidiary status).
- The relative stability of male employment is corroborated by Census data which report 1.03 per cent males as marginal workers in 1981 and 0.6 per cent in 1991 as compared with 5.8 per cent and 6.3 per cent females working in the marginal category at corresponding points in time.

#### **Evidence from Micro Studies**

A plethora of micro studies provide detailed estimates of measurement failure. A few of these are cited below and they show the gross inaccuracies inherent in the statistics given above.

- ⇒ In the 1970s, Jain and Chand estimated that 20 out of 104 females reported as non-workers in a West Bengal village in the Census, were actually winnowing, threshing, parboiling or working as domestic servants for 8-10 hours/day. (Jain and Chand, 1982).
- ⇒ Gail Omvedt found 239 women workers in one area where the census counted 38. And 444 women workers in another area where the Census listed 9. (Omvedt, 1992).
- ⇒ Ratna Sudarshan shows that while the 1991 census gave the Female Work Force Participation Rate for Punjab as 4.4 per cent, NCAER, with a probe, got 28.8 per cent (Sudarshan, 1998).
- ⇒ Swapna Mukhopadhyay conducted a survey of 5981 women workers in 6 cities and found that the Labour Force Participation Rate of women was 4 times greater than that stated in the Census. (Mukhopadhyay, 1998).
- ⇒ The invisibility of women's work is shockingly clear from the following example. Prem Chowdhry refers to an inquiry into dairy development in Ambala, which reported no female worker in Animal Husbandry. And in fact as even a cursory familiarity with agriculture shows, from bringing fodder from fields, chaff cutting, preparing food mix for cattle, giving water and feed, bathing

and cleaning cattle, cleaning cattle sheds, treating sick cattle, making dung cakes, storing them, making compost etc., women are very clearly allied with animal husbandry. Yet their contribution remained invisible. (Chowdhry, 1994).

⇒ The NSS 1993-94 household survey reports that 29 per cent of rural and 42 per cent of urban women were engaged only in household work and were without work even in the subsidiary status. Subsequently, they noted, that 58 per cent of women characterised in this way in rural areas and 14 per cent in urban areas were actually maintaining kitchen gardens, household poultry, collecting fish, collecting firewood, husking paddy, grinding food-grains, preserving meat, preparing gur, making baskets etc., or in other words they were engaged in economic activities. (Sarvekshana, 1997). NSS calculates the percentage of wrongly classified women as constituting 17 per cent of women in rural and 6 per cent in urban areas. The NSS further states that “an upper limit of women worker population ratio can approximately be obtained by raising the ratio of women workers by this percentage” but does not take the logical next step and make the correction.

### **Some Reasons for Statistical Invisibility**

The statistical invisibility of women’s work or measurement failure could be due to several factors. The literature on the subject identifies the following among others:

- Bias of the interviewer.
- Bias of male head of household/respondent.
- Poorly constructed questionnaires.
- Cultural bias regarding women working outside the home and underreporting of it.
- The nature/style of women’s work where they perform several tasks in a day for small amounts of time, so classification based on one main activity is difficult.
- Dominance of domestic work leading to under reporting of other work.
- Mistaken perception of women’s roles by respondents and interviewers.
- Intermingling of production for self-consumption with production for sale.
- Contribution to economic activity at a pre marketing, less visible or non-monetised stage.
- Contributions to ‘family’ occupations like agriculture, animal husbandry, weaving, cottage industries etc. where the contribution of women gets merged with that of the family and becomes invisible.

**Work and Inequity**<sup>5</sup> (Shramshakti, 1998; Gopalan, 1995 and Mehta, 2000).

In the context of employment in the organised and unorganised sectors of the economy, it needs to be noted that

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<sup>5</sup> Based primarily on Shramshakti, (1998) Sarala Gopalan (1995) and Aasha Kapur Mehta, (2000) Background paper for the SAHDR.

- ★ a marginal 4 per cent of women and 10 per cent of men work in the formal sector.
- ★ The share of organised sector jobs held by women increased from 12 per cent in 1981 to 15 per cent in 1995 and 17 per cent in 1998 (See Table 10)
- ★ Within the organised sector, 56.8 per cent of women are in community, social and personal services, 17.7 per cent in manufacturing and 5.2 per cent in finance, insurance and real estate.
- ★ Within urban areas, 46 per cent of women work in the tertiary sector especially in domestic services and education.
- ★ In rural areas, 86 per cent of women are in agriculture, especially cereal crop production and animal husbandry. In the secondary sector they work in household industries such as beedi manufacture, cashew processing, coir products and processing of minor forest products.
- ★ In rice cultivation for example, seeding, transplanting, weeding and threshing are women's jobs. Ploughing is done by men. In mining and quarrying they are engaged in stone quarrying as irregular casual workers. In the secondary sector in household industries they work as helpers. In construction work, men do the skilled work of brick laying while women mix mortar and carry head loads. (Shramshakti).
- ★ Wages paid to women are lower than the wages paid to men. In some villages where the husband is a permanent labourer, the wife works for the same employer without a contract. (Sardamoni, 1987).
- ★ Activities that are in the male domain such as ploughing, irrigation, levelling etc. are paid more. Those in the female domain, e.g. weeding, transplanting, winnowing etc. are paid less. (Shramshakti).
- ★ Operations that use machinery and draught animals are performed by men. Operations that demand direct manual labour are performed by women.

Table 10 : Total and Women Employment in organized sector, India

| Year | Public Sector<br>per cent of Women | Private Sector<br>per cent of Women | Total<br>per cent of Women |
|------|------------------------------------|-------------------------------------|----------------------------|
| 1992 | 12.84                              | 19.41                               | 14.38                      |
| 1993 | 12.82                              | 19.74                               | 14.82                      |
| 1994 | 13.19                              | 20.04                               | 15.17                      |
| 1995 | 13.36                              | 20.2                                | 15.36                      |
| 1996 | 13.56                              | 21.05                               | 15.84                      |
| 1997 | 13.95                              | 21.98                               | 16.42                      |
| 1998 | 14.23                              | 22.99                               | 16.95                      |

Source: Quarterly Employment Review, Director General of Employment and Training, Ministry of Labour.

In *Muddy Feet, Dirty Hands*, Mencher and Sardamoni refer to the Second Agricultural Labour Enquiry Report which notes that the agricultural operations in which women were mostly employed were weeding, transplanting and harvesting and that 'they were seldom employed in strenuous operations like ploughing'. Questioning the assumption that all female jobs need less strength, Mencher and Sardamoni quote a comment made by a male anthropologist who reported that when he asked a man why males did not do transplanting and weeding work, he was told : "No man can keep standing bent over all day long in the mud and rain. It is much too difficult, and our backs would hurt too much". (Mencher and Sardamoni, 1982).

Where men and women work jointly, it was found that women got up early in the morning, cut the ripened crop and made the bundles. The men got up slowly and carried the bundles to the threshing yard. The women then helped in the threshing and winnowing but did not wait for the grain to be measured and payment received as they had to rush to make small purchases and cook for the night. (Sardamoni, 1987).

### **Care Economy<sup>6</sup>** (Mehta, 2000)

The budget has an impact on the amount of time that has to be spent on unpaid care work by men and women. A conventional budget ignores the fact that there is an unpaid economy (domestic, social reproduction and reproductive) where women do most of the work of caring for and maintenance of the labour force and the social framework and social capital both vital for the paid economy. (Elson, 1998). In this context, Sarthi Acharya (1996) notes that in large parts of rural and urban India, families are able to sustain themselves at amazingly low earning levels because women are engaged in self-provisioning activities such as free fuel wood collection, cow dung cake preparation, fetching water, etc.

While women are only 27 per cent of the paid workers, they are 60 per cent of the unpaid family workers. "Men are concentrated in the market-oriented side of the continuum of work and women in the statistically less visible, non-monetised subsistence production and domestic side; they account for 60 per cent of the unpaid family workers, and 98 per cent of those engaged in domestic work". (IBRD, 1991).

A.C. Kulshrestha and Gulab Singh (1996) try to measure an extended NDP that includes the value of housewives services and also estimate the share of women in the extended NDP. They provide two alternate estimates of extended NDP for 1990-91, in which household work is evaluated at 1980-81 prices based on

- (i) average agricultural earnings
- (ii) national average earnings per worker

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<sup>6</sup> Based on Aasha Kapur Mehta, 2000 *Women and the Economy in India*, Background Paper for Human Development in South Asia: The Gender Question

Whereas they calculate the share of women in the usually calculated estimates of NDP at 17 per cent, the contribution of women to the economy increases to 33 per cent when agricultural earnings are used to evaluate unpaid household work and to 44 per cent when national average earnings per worker are used for the computation.

R. Malathy's (1988) estimates of the value of household services of women in India are based on a primary survey for 1980-81 based on data collected from 705 households in Madras city. The sample was restricted to married women belonging to nuclear households with or without dependents and whose spouses were working. The sample consisted of 283 working women and 422 non-working women. The working women were asked about the number of weeks they worked in the labour market during the year preceding the survey and the number of hours usually worked per week. Information was obtained from all the women on the time devoted to about 20 non-market domestic activities in an average week. The list of domestic tasks included housework such as house cleaning, cooking, serving meals, washing dishes and clothes, ironing, sewing, mending, kitchen gardening, shopping domestic work related travel time; child care activities like physical care, medical care, supervision, reading to children, taking them for outings, teaching children, playing with children.

The study found that working women devote on an average 1,991 hours a year to work at home of which 33 per cent goes towards child care and the remaining time is devoted to other tasks such as meal preparation, cleaning, washing, shopping and the like. About 1827 hours are spent working in the market, adding up to 3,818 hours a year in productive activity, whether at home or in the market.

Full time housewives work for 2,408 hours domestically per annum and 36 per cent of this is spent in child care activities. Working women work one and a half times more as a result of their 'dual work burden'.

To estimate the value of household services, Malathy used the opportunity-cost-of-time approach for which she estimated an earnings function to impute the expected wage of those who do not work in the market and based on estimates of a wage equation derived the opportunity cost per unit of time. This wage was then multiplied by the time spent in each non-market activity to get the value of household services.

On average, the value of household services of an urban women was estimated at Rs. 7,583, (i.e., about 42 per cent of family income) - Rs.7,517 for a working woman (37 per cent of family income and nearly equivalent to her labour market earnings), and Rs. 7,627 for the non-working women in the sample (denoting 47 per cent of family income).

Using the estimates for Madras, Malathy tried to get a crude estimate of the money value of housework for all Indian women in 1981. The 1981 Census showed that there are about 3.12 crore urban women in India in the age group 20-60. Multiplying this figure by our estimate of the value of domestic work for urban women (Rs. 7,583) yields a sum of Rs.23,773 crores as the value of household

services of the urban sector. On the assumption that the value of the contribution to housework by rural women is a third of the value estimated for urban women, the annual contribution of the 10.6 crores rural women from services rendered at home works out to about Rs. 26,814 crores. It can be seen from the table that household work accounts for about 47 per cent of NDP. Mukerjee's (1987) study indicates an addition of about 50 per cent to NDP. This is certainly not an insignificant amount.

Sarathi Acharya (1996) shows that women's work burden in peasant societies is uniform at about 8-10 hours a day in diverse settings and exceeds that of men. One way to analyse work is to divide it between market-oriented jobs and expenditure saving activities or work which is not directly income generating but is economically and socially useful to the household; and if not performed, the household may have to spend money to buy the corresponding goods/services. Typical examples of these activities are animal care, food processing, weaving, tailoring, stitching, etc. The choice between the two depends upon the relative economic and social advantage derived from each activity. The data given above show that whereas men put in marginal amounts of time or 0.2 to 0.5 hours of time in non-market work, women spend 2.7 to 5.5 hours per day in such activities.

HDR (1995) "estimates that once a woman has a child, she can expect to devote 3.3 more hours a day to unpaid household work - while her paid work declines by only about one hour. And a woman with a child under five can expect to put in 9.6 hours of total work every day. Women who work full-time still do a lot of unpaid work. So, the mere fact of getting a job increases a woman's total work burden, both paid and unpaid by almost an hour a day on average.

In the context of time spent on child care, Malathy's time budget survey for Madras (Table 7) shows that working women spend 664 hours and non working women 872 hours annually for child-care. Bina Agarwal (1989) refers to the fact that the "virtual absence of leisure in any real sense in women's lives because of their almost sole responsibility for child-care - even when not engaged in specific tasks they are constantly surrounded by young children demanding attention - has additional health implications. Again, the more task-specific, seasonal and casual nature of their work leaves women for longer periods without employment and income, and therefore, at greater risk of under-nourishment.

Time Use Survey was conducted in 18,591 households spread over 6 selected states namely, Haryana, Madhya Pradesh, Gujarat, Orissa, Tamil Nadu and Meghalaya. If we take SNA and extended SNA activities together, the average time spent by rural males is only 46.05 hours as compared to 56.48 hours by rural females. For urban males, this figure comes out to be 44.50 hours as compared to 45.60 hours by urban females. Therefore, women were found to be working for longer hours than males. If we work out the share of women's work to the total work of male and females, it works out to be 55 per cent which compares quite well with the figure of 53 per cent quoted in the UNDP Human Development Report for 1995.

The amount of unpaid activities was more (51 per cent) for females as compared to only 33 per cent for males. The predominance of females in unpaid activities was visible in all the states. Whatever

characteristics of respondents we take, it was generally found that females spent about double the time as compared to males in activities relating to taking care of children, sick and elderly people.

### **Lower Pay for More Work<sup>7</sup>**

Referring to the discrimination in wages on the assumption that women are less productive, Mencher and Sardamoni point out that this is not based on any fact. "No one has ever measured the amount of paddy harvested by a woman and that harvested by a man. In those parts of Kerala where harvesting is paid by a share of what is harvested, usually 1 to 6, one tends to find a larger proportion of harvesting done by female. Still, we have never heard a complaint from a landowner that women were not good at harvesting, or any claim that males could harvest more in a given period of time". (Mencher and Sardamoni, 1982).

Satnam Kaur and S K Goyal (1996) collected data from two villages of Karnal district and two of Mahendergarh district to study wage discrimination against women agricultural labourers. They reported significant differences in wages of males and females in the operations in which both are employed. In weeding, women are earning Rs.12.00 per day while men are getting Rs.28.00 in the developed Karnal district. In the less developed Mahendergarh district this was Rs.10.00 for female and Rs.20.00 for male. In harvesting (Rabi Season), both get equal as they are paid in kind and on piece rate basis i.e., 2 mounds of wheat after harvesting one acre in Karnal and Rs.200.00 after harvesting one acre in case of wheat and sarson stalks in turn of harvesting sarson in Mahendergarh district. In threshing (Rabi season) where time and cash wage is prevalent, Rs.20.00-25.00 is paid to females and Rs. 40.00-60.00 to males in Karnal; and Rs.15.00-20.00 to females and Rs.30.00-40.00 to males in Mahendergarh district.

Wages paid to women are half of the wages paid to men even in operations that are women intensive and are better performed by them such as weeding. Significant variations are noticed between wages for different activities. Activities that are in the male domain such as ploughing, irrigation, sowing, leveling etc. are paid more, while those in the female domain such as weeding, transplanting, winnowing, etc are paid less. Operations using machinery and draught animals, such as preparation of the fields, ploughing and transportation, are performed by men. But operations that demand direct manual labour, such as transplanting, weeding, winnowing and harvesting, are performed by women.

Further, different modes of payment were adopted for males and females. All the operations that were performed solely by males are paid in cash, while the operations that are dominated by females such as winnowing and harvesting are paid in kind.

They also draw attention to the fact that women are less mobile than men and try to seek jobs within their village/neighbouring villages due to their family responsibilities. Their poor bargaining power further widens the wage differences. They are much more disadvantaged in their access to

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<sup>7</sup> Based on Aasha Kapur Mehta, 2000 Women and the Economy in India, Background Paper for Human Development in South Asia: The Gender Question

employment because of more limited access to information on job opportunities due to lower literacy level, less access to mass media and less interaction with market place.

Data in tables 11 and 12 show the glaring inequality in payment received by males and females for the same task, in different activity groups and in the agricultural and non-agricultural sectors.

Table 11 : Avg. wage/salary earnings (Rs.) per day received by regular employees (15-59 Years).

| All-INDIA<br>Industry Division | Rural |        |         | Urban  |        |         |
|--------------------------------|-------|--------|---------|--------|--------|---------|
|                                | Male  | Female | Persons | Male   | Female | Persons |
| Agriculture (0)                | 27.47 | 22.83  | 26.68   | 51.4   | 46.66  | 50.71   |
| Mining & Quarrying (1)         | 75.99 | 41.28  | 73.43   | 94.58  | 64.11  | 92.73   |
| Manufacturing (2)              | 39.66 | 17.11  | 34.29   | 56.59  | 30     | 54.02   |
| Manufacturing (3)              | 57.27 | 33.41  | 55.55   | 77.85  | 58.47  | 76.82   |
| Electricity gas and water (4)  | 77.04 | 62     | 76.64   | 100.17 | 89.42  | 99.7    |
| Construction (5)               | 62.43 | 68.57  | 62.56   | 70.66  | 38.22  | 69.2    |
| Trade (6)                      | 29.92 | 29.02  | 29.89   | 43.3   | 43.08  | 43.29   |
| Transport & Storage etc. (7)   | 59    | 46.44  | 58.89   | 74.27  | 77.01  | 74.38   |
| Services (8)                   | 88.98 | 63.85  | 86.53   | 124.98 | 105.35 | 122.29  |
| Services (9)                   | 73.09 | 43.3   | 67.85   | 87.56  | 63.07  | 81.14   |
| All                            | 58.48 | 34.89  | 55.12   | 78.12  | 62.31  | 75.78   |

Source: Sarvekshana, July-September, 1996, p.S-295 to 297.

Table 12 : The male-female differentials in earnings among agricultural and non-agricultural wage earners are illustrated below.

| States      | Agri Wage Male | Agri Wage Female | F/M  | Non-Agri Wage Male | Non-Agri Wage Female | F/M  |
|-------------|----------------|------------------|------|--------------------|----------------------|------|
| Punjab      | 35.7           | 27.9             | 0.78 | 41.6               | 23.4                 | 0.56 |
| U.P.        | 21             | 18               | 0.86 | 31.2               | 19.1                 | 0.61 |
| Maharashtra | 19.3           | 11.2             | 0.58 | 24.3               | 13.9                 | 0.57 |
| Kerala      | 44.4           | 31.4             | 0.71 | 51.3               | 27.6                 | 0.54 |
| Rural India | 23.4           | 16.4             | 0.7  | 30.5               | 18.7                 | 0.61 |

Source : Ratna Sudarshan, op. cit., p.17

Not surprisingly then, given the double jeopardy of artificially low wages combined with the downward bias in estimating female work force participation, the contribution of females in the national income works out to be barely 10 to 15 per cent. (Shramshakti, 1998). Bina Agarwal (1989),

lists several reasons cited above to explain why women are much more disadvantaged in their access to employment and earnings than men. These include:

- a) lesser job mobility due to their primary and often sole responsibility of child-care, the ideology of female seclusion, and the vulnerability to caste/class-related sexual abuse;
- b) more limited access to information on job opportunities due to lower literacy levels, lesser access to mass media, and less interaction with the market place;
- c) confinement to casual work in agriculture;
- d) lower payments often even for the same tasks, made possible by the ideological assumptions (usually shared by both employers and workers) that women's earnings are supplementary to the family and that women are less productive than men, and by the lack of unionisation among female workers.
- e) the form in which payment is made - a Karnataka study of rural labour found that 70 per cent of male labour contracts and only 20 per cent female labour contracts involved meal provisions;
- f) exclusion from productivity increasing machinery, the induction of which typically displaces women, who are rarely trained in its use and who thus remain confined to manual tasks.

### **8) The Old who are Poor and Disabled**

Age, and high levels of economic dependence and/or disability combine to create high levels of vulnerability to chronic poverty. While old age pension schemes are in place, neither the small amounts made available nor the transaction costs of accessing them make these a solution to the problem of chronic poverty among the elderly. With the high incidence of chronic ailments and health care needs of the elderly, declining family size, migration and breakdown of traditional family structures that provided support, this group of the population is increasingly vulnerable to poverty and to spending the last years of the life course in chronic poverty. One estimate projects the total number of elderly persons in India at 136 million by 2021 in comparison with 55 million in 1991. This has significant implications for social security policies (Rajan, Mishra and Sarma, 2000).

Inadequate financial resources are a major concern of the Indian elderly (Desai, 1985 cited in Rajan et. al., 2000) and more so among the female elderly (Dak and Sharma, 1987 cited in Rajan et. al., 2000). In many situations, the rural elderly continue to work though their number of working hours comes down with increasing age (Singh, Singh and Sharma 1987 cited in Rajan et. al.,2000). Economic insecurity was the sole concern of the elderly in barely sustainable households in rural India (Punia and Sharma, 1987 cited in Rajan et. al.,2000). The worries of the elderly are on two inter-related fronts: fears of sickness or disability and financial worries.

High levels of economic dependence at low household income levels mean that meagre resources need to be stretched thinner and thereby increase vulnerability to poverty of physically and financially

dependent older persons. Providing for them is the responsibility of the state and of the community and budgetary provisions must be made for them.

#### **9) Violence Against Women**

Data pertaining to crimes including rape, molestation, kidnapping, abduction, eve teasing, dowry deaths and cruelty by relatives reported in the National Human Development Report show an increase in every category of crime between 1991-98. A recent study by WHO based on interview conducted with 9938 women in six states in India revealed that 40 per cent of women reported physical abuse by the partner, 14 per cent severe abuse, another 14 per cent severe abuse over the past 12 months. (Singh, 2002).

The following sections examine the budget and the distribution of resources while keeping in mind the needs and priorities of the 496 million women of India many of whom suffer systemic discrimination and drudgery despite their considerable and unrecognized contribution to the economy and the additional deprivation suffered by the many among them who also belong to the group of 260 to 300 million Indians who live below the poverty line.

#### **IV. Budget priorities at the Macro National Level given a Budget Constraint : The Priorities of Government reflected in allocations**

Detailed data for several years provided by the EPW Research Foundation is given in Tables 13 and 14. The tables provide estimates of the overall budgetary position of the government based on actual expenditure for the period between 1999-00 to 2001-02, revised estimates for 2002-03 and budget estimates for 2003-04 estimated as a percent of GDP at market prices. The data show that:

- Total receipts and expenditures ranged between 15.4% to just over 16% of GDP at market prices
- Revenue receipts comprise 58 per cent and capital receipts 42 per cent of total revenue. However, the share of revenue receipts has declined from 60.9 per cent in 1999-00.
- Revenue receipts fluctuated marginally around 9 per cent of GDP while capital receipts were around 6.7 per cent
- Non plan and plan expenditure budgeted for 2003-04 were 11.6 per cent and 4.4 per cent of GDP.
- For 2003-04, revenue deficit estimated was 4.1 per cent and fiscal deficit 5.6% of GDP.
- As usual, revenue receipts consist primarily of tax revenue (72.5 per cent).
- Capital receipts consist primarily of borrowings and other liabilities.
- 91 per cent of non-plan expenditure is on revenue account.
- 63 per cent of plan expenditure is on revenue account.

- By and large the aggregate estimates fluctuate marginally over this period but receipts from disinvestments of PSUs are estimated to increase substantially in 2003-04

**TABLE 13 : OVERALL BUDGETARY POSITION OF GOI (Rs. crores)**

| <b>BUDGET HEADS</b>                    | <b>2003-04(BE)</b> | <b>2002-03(RE)</b> | <b>2001-02(A)</b> | <b>2000-01(A)</b> | <b>1999-00(A)</b> |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| <b>Revenue receipts</b>                | 253935             | 236936             | 201449            | 192624            | 181513            |
| Tax Rev                                | 184169             | 164177             | 133662            | 136916            | 128271            |
| Non-Tax Rev                            | 69766              | 72759              | 67787             | 55708             | 53242             |
| <b>Capital Receipts</b>                | 184860             | 167077             | 161004            | 132987            | 116571            |
| Recovery Of Loans                      | 18023              | 18251              | 16403             | 12046             | 10131             |
| Disinvestment Of PSEs                  | 13200              | 3360               | 3646              | 2125              | 1723              |
| Borrowings & Other Liabilities         | 153637             | 145466             | 140955            | 118816            | 104717            |
| <b>Total Receipts</b>                  | 438795             | 404013             | 362453            | 325611            | 298084            |
| <b>Non-Plan Exp</b>                    | 317821             | 289924             | 261259            | 242942            | 221871            |
| On Rev A/C                             | 289384             | 268979             | 239954            | 226782            | 202309            |
| Interest Payment                       | 123223             | 115663             | 107460            | 99314             | 90249             |
| On Cap A/C                             | 28437              | 20945              | 21305             | 16160             | 19593             |
| <b>Plan Exp</b>                        | 120974             | 114089             | 101194            | 82669             | 76182             |
| On Rev A/C                             | 76843              | 72669              | 61657             | 51076             | 46800             |
| On Cap A/C                             | 44131              | 41420              | 39537             | 31593             | 29382             |
| <b>Total Exp</b>                       | 438795             | 404013             | 362453            | 325611            | 298053            |
| Rev Exp                                | 366227             | 341648             | 301611            | 277853            | 249078            |
| Cap Exp                                | 72568              | 62365              | 60842             | 47753             | 48975             |
| <b>Rev Deficit</b>                     | 112292             | 104712             | 100162            | 85234             | 67596             |
| <b>Fiscal Deficit</b>                  | 153673             | 145466             | 140955            | 118816            | 104717            |
| <b>Primary Deficit</b>                 | 30414              | 29803              | 33495             | 19502             | 14468             |
| <b>Budget Support For Central Plan</b> | 72152              | 68219              | 60210             | 47503             | 41701             |
| <b>GDP At Current Mkt. Prices</b>      | 2729300            | 2452200            | 2296049           | 2104298           | 1936925           |

Source: Finances Of Govt. Of India, EPW Research Foundation, EPW, 28(19), p.1889-1908, May 10-16, 2003.

Table 14 : Overall Budgetary Position of GOI ( per cent of GDP)

| <b>Budget Heads</b>                    | <b>2003-04(BE)</b> | <b>2002-03(RE)</b> | <b>2001-02(A)</b> | <b>2000-01(A)</b> | <b>1999-00(A)</b> |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| <b>Revenue Receipts</b>                | 9.30               | 9.66               | 8.77              | 9.15              | 9.37              |
| Tax Rev                                | 6.75               | 6.70               | 5.82              | 6.51              | 6.62              |
| Non-Tax Rev                            | 2.56               | 2.97               | 2.95              | 2.65              | 2.75              |
| <b>Capital Receipts</b>                | 6.77               | 6.81               | 7.01              | 6.32              | 6.02              |
| Recovery Of Loans                      | 0.66               | 0.74               | 0.71              | 0.57              | 0.52              |
| Disinvestments Of PSEs                 | 0.48               | 0.14               | 0.16              | 0.10              | 0.09              |
| Borrowings & Other Liabilities         | 5.63               | 5.93               | 6.14              | 5.65              | 5.41              |
| <b>Total Receipts</b>                  | 16.08              | 16.48              | 15.79             | 15.47             | 15.39             |
| <b>Non-Plan Exp</b>                    | 11.64              | 11.82              | 11.38             | 11.55             | 11.45             |
| On Rev A/C                             | 10.60              | 10.97              | 10.45             | 10.78             | 10.44             |
| Interest Payment                       | 4.51               | 4.72               | 4.68              | 4.72              | 4.66              |
| On Cap A/C                             | 1.04               | 0.85               | 0.93              | 0.77              | 1.01              |
| <b>Plan Exp</b>                        | 4.43               | 4.65               | 4.41              | 3.93              | 3.93              |
| On Rev A/C                             | 2.82               | 2.96               | 2.69              | 2.43              | 2.42              |
| On Cap A/C                             | 1.62               | 1.69               | 1.72              | 1.50              | 1.52              |
| <b>Total Exp</b>                       | 16.08              | 16.48              | 15.79             | 15.47             | 15.39             |
| Rev Exp                                | 13.42              | 13.93              | 13.14             | 13.20             | 12.86             |
| Cap Exp                                | 2.66               | 2.54               | 2.65              | 2.27              | 2.53              |
| <b>Rev Deficit</b>                     | 4.11               | 4.27               | 4.36              | 4.05              | 3.49              |
| <b>Fiscal Deficit</b>                  | 5.63               | 5.93               | 6.14              | 5.65              | 5.41              |
| <b>Primary Deficit</b>                 | 1.11               | 1.22               | 1.46              | 0.93              | 0.75              |
| <b>Budget Support For Central Plan</b> | 2.64               | 2.78               | 2.62              | 2.26              | 2.15              |
| <b>GDP At Current Mkt. Prices</b>      | 100.00             | 100.00             | 100.00            | 100.00            | 100.00            |

Source: Finances of Govt. of India, EPW Research Foundation.

Rev Deficit= Revenue receipts – Revenue Expenditure

Budgetary Deficit = Total Receipts – Total Expenditure

Fiscal Deficit = Revenue Receipts + Recovery of Loans + Disinvestment of Equity of PSEs – Total Expenditure

Analysis of Budget Statement 1 of the Consolidated Fund of India shows that:

- Receipts on Revenue Account consist primarily of taxes on
  - commodities and services especially union excise duty and customs duty.
  - corporation tax and income tax
  - interest receipts and
  - revenue from railways
- Disbursements on Revenue Account consist primarily of
  - Interest payments (rising rapidly from 19.1 per cent of aggregate expenditure in 1989-90 to around 28 to 30 per cent in recent years).
  - Defence services (approximately 15 per cent of aggregate expenditure)
  - Subsidies declined from 11 per cent in 1989-90 to 8 per cent in 1997-98 and have risen again in recent years

However, expenditure allocated to social services constitutes a marginal 1.6 per cent of aggregate expenditure. This had increased to 2.3 per cent in 1999-2000 but has declined since then (See Tables 15, 16 and 17).

Budget 2003-04 shows that payment of interest, defence and transfers to states and UTs account for 24 per cent+13 per cent+27 per cent=64 per cent of the budget. That leaves 36 per cent of the budget for allocations to plan and non-plan expenditure, unless we can retire debt and reduce interest payments or reduce the expenditure on defence.

Table 15 : Revenue and Spending

| Rupee comes from                 | Percent share | Rupee goes to                         | Percent share |
|----------------------------------|---------------|---------------------------------------|---------------|
| Borrowings and other liabilities | 30            | Interest                              | 24            |
| Excise                           | 19            | Central Plan                          | 14            |
| Non tax revenue                  | 14            | Defence                               | 13            |
| Corporation tax                  | 10            | States share of taxes and duties      | 13            |
| Customs                          | 10            | Other non plan expenditure            | 12            |
| Income tax                       | 9             | Subsidies                             | 10            |
| Non debt capital receipts        | 6             | State and UT Plan assistance          | 10            |
| Other taxes                      | 2             | Non plan assistance to States and UTs | 4             |

Note: Inclusive of share of states in taxes and duties

Source: Budget at a Glance, p. 2-3.

Table 16 : Central Govt. Expenditures:(NON-PLAN) [as percentages to aggregate expenditure]

| Year             | Social Services | Interest Payments | Defence | Subsidies |
|------------------|-----------------|-------------------|---------|-----------|
| 1989-90          | 1.6             | 19.1              | 15.5    | 11.3      |
| 1990-91          | 1.7             | 20.4              | 14.6    | 11.5      |
| 1991-92          | 1.7             | 23.9              | 14.7    | 11        |
| 1992-93          | 1.7             | 25.3              | 14.3    | 8.9       |
| 1993-94          | 1.8             | 25.9              | 15.4    | 8.2       |
| 1994-95          | 1.6             | 27.4              | 14.5    | 7.4       |
| 1995-96          | 1.9             | 28.1              | 15.1    | 7.1       |
| 1996-97          | 1.7             | 29.6              | 14.7    | 7.7       |
| 1997-98          | 1.9             | 28.3              | 15.2    | 8         |
| 1998-99          | 1.9             | 27.9              | 14.3    | 8.4       |
| 1999-2000        | 2.3             | 30.3              | 15.8    | 8.2       |
| 2000-01          | 2.3             | 30.5              | 15.2    | 8.2       |
| 2001-02 (Actual) | 2.1             | 29.6              | 15      | 8.6       |
| 2002-03 (BE)     | 1.6             | 28.6              | 15.8    | 9.7       |
| 2002-03 (RE)     | 1.7             | 28.7              | 13.9    | 11        |
| 2003-04 (BE)     | 1.6             | 28.1              | 14.9    | 11.4      |

Source: EPW, 28(19), Pg.1893 May 10-16,2003

Central Government Expenditures consist of two parts: plan and non-plan expenditures. Non Plan expenditures comprise Interest Payments, Defence, Subsidies (food, fertilizer, others), General Services (Police, Pensions), Social Services (education, sports, youth affairs, health and family welfare, labour and employment, information and broadcasting, others), Economic services (agriculture and allied activities, energy industry and minerals, transport and communication, science, tech. and environment, others), Postal deficit, Non-plan expenditure of UTs without legislatures, Grants to States & UTs, Grants to foreign governments, Loans and advances to States & UTs, Other loans and Non-plan capital expenditure. Plan expenditure consists of Budget support for the central plan – for Economic Services such as Agriculture and allied activities, Rural development, Irrigation & flood control, Energy, Industry & minerals, Transport, Communication, Science, tech. & environment and General economic services; for Social Services such as Education, sports, youth affairs, Health and family welfare, Water supply, sanitation, housing and urban development, Information and broadcasting, Welfare of SC/ST's & OBC's, Labour and labour welfare, Social welfare and nutrition and North-eastern areas and others; and General Services. It also includes Central assistance to state plans and to UTs.

The allocation of funds by the Centre to the various items of non plan and plan expenditure as a percent of aggregate expenditure during 1997-98 and 2003-04 is given below.

Table 17 : Central Government's Expenditure ( per cent)

|   | 2003-04(BE) | 2002-03(RE) | 2002-03(BE) | 2001-02(A) | 2000-01(A) | 1999-00(A) | 1998-99(A) | 1997-98(A) |
|---|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| <b>(1) Non-Plan Expenditure</b>                     | 72.43       | 71.76       | 72.34       | 72.08      | 74.61      | 74.44      | 76.08      | 74.54      |
| A. Interest Payments                                | 28.08       | 28.71       | 28.61       | 29.65      | 30.50      | 30.28      | 27.88      | 28.29      |
| B. Defence  | 14.88       | 13.86       | 15.84       | 14.97      | 15.24      | 15.79      | 14.28      | 15.20      |
| C. Subsidies  | 11.37       | 11.04       | 9.70        | 8.61       | 8.24       | 8.22       | 8.45       | 7.99       |
| Food  | 6.34        | 5.99        | 5.17        | 4.83       | 3.70       | 3.17       | 3.26       | 3.40       |
| Fertilizers (Indigenous+Imported)                   | 2.90        | 2.72        | 2.74        | 3.47       | 4.24       | 4.44       | 4.15       | 4.27       |
| Other Subsidies                                     | 2.14        | 2.33        | 1.80        | 0.31       | 0.30       | 0.61       | 1.04       | 0.31       |
| D. General Services                                 | 7.26        | 7.53        | 7.69        | 7.93       | 8.64       | 9.44       | 8.22       | 7.87       |
| Police  | 1.90        | 2.04        | 2.04        | 2.00       | 2.08       | 2.13       | 2.01       | 2.11       |
| Pensions(Defence+Civil)                             | 3.52        | 3.52        | 3.66        | 3.98       | 4.42       | 4.79       | 3.60       | 2.97       |
| Total (A+B+C+D)                                     | 61.60       | 61.15       | 61.84       | 61.16      | 62.62      | 63.73      | 58.83      | 59.35      |
| E. Social Services                                  | 1.56        | 1.65        | 1.64        | 2.07       | 2.26       | 2.33       | 1.92       | 1.86       |
| Education, Sports, Youth Affairs                    | 0.72        | 0.76        | 0.74        | 0.74       | 0.77       | 0.80       | 0.84       | 0.65       |
| Health and Family Welfare                           | 0.23        | 0.25        | 0.24        | 0.25       | 0.30       | 0.30       | 0.28       | 0.26       |
| Labour and Employment                               | 0.16        | 0.17        | 0.18        | 0.20       | 0.25       | 0.26       | 0.23       | 0.22       |
| Information and Broadcasting                        | 0.25        | 0.27        | 0.27        | 0.28       | 0.33       | 0.33       | 0.34       | 0.35       |
| Other Social Services                               | 0.19        | 0.21        | 0.20        | 0.59       | 0.61       | 0.64       | 0.24       | 0.38       |
| F. Economic Services                                | 2.56        | 2.89        | 2.16        | 2.27       | 3.09       | 2.65       | 2.99       | 2.44       |
| Agriculture and Allied Activities                   | 0.18        | 0.25        | 0.30        | 0.29       | 0.35       | 0.42       | 0.22       | 0.23       |
| Energy Industry and Minerals                        | 0.18        | 0.25        | 0.29        | 0.04       | 0.07       | 0.37       | 0.12       | 0.48       |
| Transport and Communication                         | 0.32        | 0.31        | 0.31        | 0.48       | 1.16       | 0.46       | 0.41       | 0.39       |
| Science, Tech. and Environment                      | 0.48        | 0.51        | 0.50        | 0.54       | 0.57       | 0.58       | 0.57       | 0.57       |
| Other Economic Services                             | 1.41        | 1.57        | 0.76        | 0.92       | 0.93       | 0.82       | 1.67       | 0.76       |
| G. Postal Deficit                                   | 0.29        | 0.35        | 0.27        | 0.38       | 0.47       | 0.53       | 0.56       | 0.42       |
| H. Non-Plan Expenditure of UTs without legislatures | 0.35        | 0.34        | 0.33        | 0.34       | 0.35       | 0.39       | 0.37       | 0.36       |
| I. Grants to States and UTs                         | 4.19        | 3.72        | 4.68        | 4.23       | 4.52       | 2.09       | 1.76       | 1.90       |

|   | 2003-04(BE)  | 2002-03(RE)  | 2002-03(BE)  | 2001-02(A)   | 2000-01(A)   | 1999-00(A)   | 1998-99(A)   | 1997-98(A)   |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| J. Grants to Foreign Governments                    | 0.16         | 0.16         | 0.14         | 0.11         | 0.11         | 0.12         | 0.14         | 0.14         |
| K. Loans and Advances to States and UTs             | 0.10         | 0.64         | 0.14         | -0.11        | -0.04        | 0.91         | 8.55         | 6.82         |
| L. Other Loans                                      | 0.70         | 0.75         | 0.43         | 0.72         | 0.75         | 0.73         | 0.76         | 0.76         |
| M. Non-Plan Capital Expenditure                     | 0.86         | -0.04        | 0.59         | 0.78         | 0.42         | 0.93         | 0.16         | 0.43         |
| <b>Memo Item</b>                                    | 2            | 3            | 4            | 5            | 6            | 7            | 8            | 9            |
| Defence Pension(Revised Estimates)                  | 2.51         | 2.50         | 2.61         | 2.89         | 3.69         | 3.70         | 2.60         | 2.13         |
| Defence Receipt Excluded from Defence Expenditure   | 0.46         | 0.48         | 0.47         | 0.48         | 0.50         | 0.48         | 0.48         | 0.49         |
| <b>(2) Plan Expenditure</b>                         | <b>27.57</b> | <b>28.24</b> | <b>27.66</b> | <b>27.92</b> | <b>25.39</b> | <b>25.56</b> | <b>23.92</b> | <b>25.46</b> |
| <b>A. Budget Support for Central Plan</b>           | <b>16.44</b> | <b>16.89</b> | <b>16.30</b> | <b>16.61</b> | <b>14.59</b> | <b>13.99</b> | <b>13.36</b> | <b>13.99</b> |
| 1. Economic Services                                | 9.77         | 10.47        | 9.65         | 10.20        | 8.86         | 8.27         | 8.04         | 8.91         |
| a) Agriculture and allied activities                | 0.85         | 0.76         | 0.89         | 0.93         | 0.89         | 0.97         | 0.95         | 0.97         |
| b) Rural development                                | 1.47         | 2.79         | 1.56         | 1.58         | 1.36         | 1.74         | 2.09         | 2.40         |
| c) Irrigation and flood control                     | 0.10         | 0.09         | 0.11         | 0.12         | 0.06         | 0.15         | 0.05         | 0.21         |
| d) Energy   | 1.25         | 1.10         | 1.26         | 1.44         | 1.15         | 1.50         | 1.41         | 1.53         |
| e) Industry and minerals                            | 0.70         | 0.74         | 0.78         | 0.86         | 0.90         | 0.64         | 1.02         | 1.12         |
| f) Transport  | 3.35         | 3.36         | 3.46         | 3.91         | 3.09         | 2.15         | 1.44         | 1.64         |
| g) Communication                                    | 0.08         | 0.23         | 0.08         | 0.07         | 0.52         | 0.27         | 0.22         | 0.16         |
| h) Science tech and env                             | 1.07         | 1.00         | 1.08         | 0.97         | 0.65         | 0.63         | 0.58         | 0.65         |
| l) General economic services                        | 0.90         | 0.39         | 0.43         | 0.33         | 0.24         | 0.23         | 0.27         | 0.24         |
| 2. Social Services                                  | 6.58         | 6.32         | 6.54         | 6.32         | 5.49         | 5.52         | 5.15         | 4.99         |
| a) Education,sports,youth affairs                   | 1.73         | 1.53         | 1.68         | 1.65         | 1.59         | 1.57         | 1.53         | 1.51         |
| b) Health and family welfare                        | 1.36         | 1.26         | 1.47         | 1.31         | 1.33         | 1.38         | 1.15         | 1.11         |
| c) Water supply, sanitation, housing and urban dev. | 1.40         | 1.53         | 1.23         | 1.53         | 1.43         | 1.41         | 1.37         | 1.33         |
| d) Information and broadcasting                     | 0.07         | 0.08         | 0.08         | 0.07         | 0.08         | 0.06         | 0.03         | 0.04         |
| e) Welfare of SC/ST and OBC                         | 0.31         | 0.28         | 0.33         | 0.31         | 0.29         | 0.32         | 0.32         | 0.31         |
| f) Labour and labour welfare                        | 0.03         | 0.03         | 0.04         | 0.03         | 0.03         | 0.03         | 0.02         | 0.02         |
| g) Social welfare and nutrition                     | 0.60         | 0.53         | 0.56         | 0.72         | 0.74         | 0.76         | 0.72         | 0.68         |
| h) NE areas and others                              | 1.07         | 1.07         | 1.14         | 0.70         | 0.00         | 0.00         | 0.00         | 0.00         |

|   | 2003-04(BE) | 2002-03(RE) | 2002-03(BE) | 2001-02(A) | 2000-01(A) | 1999-00(A) | 1998-99(A) | 1997-98(A) |
|---|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| 3. General Services                               | 0.09        | 0.10        | 0.11        | 0.09       | 0.25       | 0.20       | 0.18       | 0.09       |
| <b>B. Central Assistance to State Plans</b>       | 10.82       | 10.98       | 11.06       | 10.96      | 10.40      | 11.19      | 10.21      | 11.12      |
| <b>C. Central Assistance to UTs</b>               | 0.31        | 0.37        | 0.31        | 0.35       | 0.40       | 0.38       | 0.35       | 0.36       |
| D. Total Central Assistance to State and UT Plans | 11.13       | 11.35       | 11.36       | 11.31      | 10.80      | 11.37      | 10.56      | 11.47      |
| on revenue account                                | 5.63        | 5.74        | 5.28        | 5.42       | 5.07       | 5.55       | 5.06       | 5.36       |
| on capital account                                | 5.49        | 5.61        | 6.09        | 5.89       | 5.73       | 5.82       | 5.50       | 6.11       |
| <b>Aggregate Expenditure (1+2)</b>                | 100.00      | 100.00      | 100.00      | 100.00     | 100.00     | 100.00     | 100.00     | 100.00     |

Source: Estimates based on EPW, 28(19), Pg.1889-1908, May 10-16, 2003

**V. Budget Allocations at the Macro National Level given a Budget Constraint Budget viewed through a Gender Lens<sup>8</sup>** (Lahiri, Chakraborty and Bhattacharya, 2003).

The NIPFP undertook the first gender budget exercise in India. The exercise was based on the premises that gender inequalities cause inefficiencies in the working of the economy and that, investment at this juncture in schemes that are focused on women rather than on men would have a higher rate of return.

The National Institute of Public Finance and Policy (NIPFP) identified gender related public expenditure in terms of three categories:

- (i) specifically targeted expenditure to women and girls (100 per cent targeted for women),
- (ii) pro-women allocations; which are the composite expenditure schemes with a women component (at least 30 per cent targeted for women) and
- (iii) mainstream public expenditures that have gender-differential impacts.

NIPFP further categorised the public expenditure specifically targeted to women into four clusters (Lahiri, Chakraborty and Bhattacharya, 2002 and Chakraborty, 2003) viz.

- i) protective and welfare services, that prevent the atrocities against women such as domestic violence, rape, kidnapping, dowry deaths including rehabilitation programmes. These constituted 67 per cent of public expenditure targeted for women.
- ii) social services, such as education, water supply and sanitation, housing, health and nutrition schemes can empower women to play their rightful role in the economy. These constituted 26 per cent of public expenditure targeted for women.

<sup>8</sup> This section is based entirely on research at NIPFP by Ashok Lahiri, Lekha, Chakraborty and PN Bhattacharya, Gender Budgeting in India, UNIFEM-NIPFP, Follow the Money Series, 2003.

- iii) economic services such as self employment and training programmes, economic empowerment programmes and fuel supply management programmes. These constituted 4 per cent of public expenditure targeted for women.
- iv) regulatory services and awareness generation programmes for women operates through institutional mechanism like National Commission for Women. These constituted 3 per cent of public expenditure targeted for women.

Table 18 : Categorization of Specifically Targeted Expenditure on Women in Union Budgets, 2003-04.

| <b>CLUSTER OF ACTION</b>                 | <b>CONTRIBUTING PROGRAMME</b>   | <b>Dept/Ministry</b>                       | <b>ALLOCATION 2003-04 BE (Rs. crores)</b> |    |
|--|---|--|---|----|
| <b>PROTECTIVE &amp; WELFARE SERVICES</b> | Short Stay Home   | WCD  | 16  |    |
|  | Central Social Welfare Board  | WCD  | 33.1                                      |    |
|  | ICDS and other Child Welfare Schemes                                  | WCD  | 2175.81                                   |    |
|  | Swadhar   | WCD  | 13.5                                      |    |
| <b>SOCIAL SERVICES</b>                   | Balika Samridhi Yojana  | WCD  | 13.5                                      |    |
|  | Condensed Courses for Women Education                                 | WCD  | 3.6                                       |    |
|  | Hostel Facilities for Girl Students                                   | Education                                  | 0   |    |
|  | Distance Education Training Programme for Women's Empowerment         | WCD  | 0.1                                       |    |
|  | National Program for Women's Education                                | Education                                  | 0   |    |
|  | <b>Health &amp; Nutrition</b>   | Mahila Samakhya Programme                  | Education                                 | 30 |
|  |   | Grants to Institute of Fashion Technology  | Textiles                                  | 28 |
|  |   | Girl's Hostels for Scheduled Tribes        | Tribal Affairs                            | 12 |
|  |   | Girl's Hostels for Scheduled Castes        | Social Justice & Empowerment              | 20 |
|  |   | Special Education Programme for girls      | Social Justice & Empowerment              | 0  |
|  |   | belonging to SC of very low literacy level |   |    |
|  |   | Lady Hardinge Medical College              | Health                                    | 49 |
|  | Schemes on Nutrition /National Nutrition Mission for women & children | WCD  | 7.79                                      |    |

| CLUSTER OF ACTION                                     | CONTRIBUTING PROGRAMME                                      | Dept/Ministry  | ALLOCATION 2003-04 BE (Rs. crores) |
|---|---|----------------|------------------------------------|
|   | Post Partum Programmes                                      | Family Welfare | 0                                  |
|   | Reproductive & Child Health Programme                       | Family Welfare | 712.47                             |
| <b>ECONOMIC SERVICES</b>                              | STEP  | WCD            | 22.5                               |
| <b>Employment</b>                                     | Hostels for Working Women                                   | WCD            | 9                                  |
|   | Swavlambhan   | WCD            | 22.5                               |
| <b>Training</b>                                       | Credit and Micro enterprise Development Training (CRÈME II) | WCD            | 0                                  |
|   | Development of Nursing Services                             | Health         | 18                                 |
| <b>Economic Empowerment</b>                           | Improvement in Working Conditions of Child/Women Labour     | Labour         | 0                                  |
|   | Training of Women in Agriculture of NE                      | Agriculture    | 0                                  |
|   | Health Guide Scheme   | Family Welfare | 0                                  |
|   | Swayamsiddha  | WCD            | 18                                 |
|   | Socio Economic Programme                                    | WCD            | 0                                  |
|   | Swasakthi Project   | WCD            | 40                                 |
|   | Rashtriya Mahila Kosh                                       | WCD            | 1                                  |
| <b>REGULATORY SERVICES &amp; AWARENESS GENERATION</b> | National Maternity Benefit Scheme                           | Family Welfare | 75                                 |
|   | National Commission for Women                               | WCD            | 5.51                               |
|   | Awareness Generation Programme                              | WCD            | 4.5                                |

Source: Lekha Chakroborty, Macro Scan, 2003.

Only ten Ministries/Departments have specifically targeted programmes for women in India. In absolute terms, the Department of Women and Child Development (DWCD) and Department of Family Welfare have higher budgetary allocations for women (Table 18). (Dept. of Rural Devt.). Despite the proliferation of women specific programmes, the amount allotted to specifically targeted programmes for women in Union Budget 2003-04 is Rs 3665 crores, which is **only 0.84 per cent** of total public expenditure in the Union Budget of the same year The corresponding figure of share of specifically targeted programmes for women in total public expenditure was 1.02 per cent, 0.94 per cent, 0.88 per cent, 0.87 per cent and 0.82 per cent in the Budgets of 1998-99, 1999-2000, 2000-01, 2001-02 and 2002-03 respectively. (Chakarborty, 2003).

Further, the share of women specific programmes in certain Ministries/ Departments like education, agriculture, textiles, tribal affairs and social justice and empowerment constituted at most around one per cent of their total expenditure for most of the years. A comparatively greater share of budgetary allocation for women was noted under Department of Women and Child Development and Department of Family Welfare. The share of Department of Health remained around 2 per cent while for Department of Labour fluctuated within a range of 4-9 per cent. (Chakarborty, 2003).

### **Public Expenditure With Pro-Women Allocations**

Some of the public expenditure schemes, such as poverty alleviation and employment generation schemes, though not exclusively targeted for women, have pro-women allocations. Noting that it is difficult to identify the pro-women share from Budget documents, Chakarborty uses the NIPFP methodology to provisionally estimate the pro-women share across Ministries/Departments in Budget documents 2003 at Rs. 9,258.60 crores<sup>9</sup>. (NIPFP methodology). Given the limitation of the estimates, it is noted that the share of women's component of composite public expenditure in total expenditure of Central Government showed a decline from 3.89 per cent in 1995-96 to 2.02 percent in 2001-02, though it rose to 2.65 per cent in 2002-03 and marginally declined to 2.19 per cent in 2003-04.

Nirmala Banerjee (2003) summarises the following from NIPFP's analysis of the union budget for two years:

- Total allocation under schemes meant specifically for women claimed a pitifully small part of the total budgetary expenditure.
- In several cases these schemes lacked proper administrative mechanism that would facilitate execution and monitoring.
- In many cases the executing department was not fully aware of the logic or need for a particular scheme and ended up returning the allotted funds or diverting them to other schemes.
- As a result, the actual expenditure under many of these schemes was less than the amounts allotted to them in the budget.

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<sup>9</sup> As per NIPFP methodology, public expenditure with pro-women allocation of specific Ministries like Health and Family Welfare, Education, Labour and Rural Development, where women constitute a significant part of the beneficiaries of almost all the schemes, is calculated using the following formula: Pro-women allocation = [TE - WSP]\* WC, where TE is the Total Expenditure of Ministry/Department; WSP is the Women Specific Programmes of the concerned Ministry/Department and WC is the Women's Component, specified as a percentage of the total outlay of the Department being exclusively spent on women. Secondly, there are several Departments (for instance, Department of Agriculture and Co-operation, Small Scale Industries and Agro and Rural Industries etc.) under which only certain programmes include a women's component. Pro-women allocations of those Departments are calculated on the basis of the following formula: Pro-women allocation =  $\sum$  [SCS \* WC], where SCS is the expenditure on the specific composite scheme and WC is the women's component again specified as a percentage of the total outlay on the specific composite scheme and [SCS\*WC] represents the pro-women share of various specific schemes. Under this procedure, first the schemes with women's component and their pro-women share were identified and then individual shares were added to get the total pro-women allocation of the Department/Ministry. For Departments under which the information about women component plan is not provided in the DWCD document, on the advise of the DWCD, the women's component was assumed to be 30 per cent in conformity with the objective of the Ninth Five-Year Plan.

- In schemes where funds had been allotted for providing a specific service equally to both men and women, the share of girls fell significantly short of half.
- Expenditure heads that did allot considerable resources for women's benefit were still under the traditional rubric of the welfare of mothers and children.
- There has been some recognition about the state's responsibilities towards removing gender bias e.g. Economic Survey, Women Component Plan...
- The study showed that there was indeed a positive relation between the gender development index or a country and the per capita fiscal allocations to health and education.

#### **VI. The Union Budget 2003-04 : Some of the comments in the literature**

While reviewing the 2003-04 Budget in light of the systemic gender based discrimination, the following issues have been highlighted in the literature:

- Allocations to various programmes covered by the Department of Women and Child Development that are supposed to address gender inequality were already insignificant and have dropped further. Balika Samridhi Yojana has been dismantled. This was launched in 1997 to contribute to improving the status of women and girl children. A token grant was given and the girl child was entitled to a scholarship for each grade successfully completed by her. The amounts were deposited in an interest bearing account. (Singh, 2002).
- Mahila Samridhi Yojana, a social security scheme for women, where government was contributing 25 per cent to a woman's saving account of up to Rs 300, has also been dropped. Indira Mahila Yojana that was for capacity building has been disbanded. A new scheme Swamsidha with a reduced allocation has been launched. Socioeconomic programmes of the DWCD have been dropped. (Singh, 2002).
- Compared with the seriousness and universal underreporting of violence against women allocations for rescue homes and shelters for women have been on government's low priority list. DWCD has been spending less than 1 per cent of its allocations on short stay homes and barely 0.2 per cent on awareness generation programmes. Swadhar has an allocation of Rs 13.5 crores for women in difficult circumstances, i.e. for rehabilitating widows, victims of natural calamities and destitute women. (Singh, 2002).
- The hike in prices of light diesel oil & fertilizers will have a negative effect on the household budget of rural poor women. (Vibhuti Patel, 2003)
- BPL population is 25 to 30 crores, while budget-2004 promises to cover only 50 lakh families in the Antyodaya Scheme even when 52 m tons of food-grains are rotting in FCI godowns. (Patel, 2003).

- 1 per cent cut of interest on small savings will reduce income of Self Help Groups of women involved in micro-credit. (Patel, 2003).
- Privatisation and user charges for services such as health, education and insurance schemes will deprive women of educational opportunities and health care facilities. (Patel, 2003).
- A reduction in the cost of foreign alcohol will not go in favour of women. (Patel, 2003).
- Budgetary allocations (for 2003-04) for women under heads like working women's hostel (Rs.4.48 crore cut), labour social securities (Rs.30 crore cut), specific schemes for women workers (Rs. 8 crore cut), maternity benefits (Rs.22 crore cut), RCH (Rs.122.96 crore cut) and tuberculosis and malaria (Rs.10 crore cut) – all experienced substantial reductions if compared to Budget 2002-03. (Patel, 2003).

Table 19 : Budgetary Allocation for Women in the UNION BUDGET 2003-04

| Items                              | A Allocation-2003-04 | Cuts compared to 2002-03 |
|------------------------------------|----------------------|--------------------------|
| Working Women's Hostels            | 9 crores             | 4.48 crores              |
| Labour Social Securities           | 61.24 crores         | 30 crores                |
| Specific schemes for Women workers |                      | 8 crores                 |
| Maternity Benefits                 |                      | 22 crores                |
| Rashtriya Mahila Kosh              | 1 crore              | 0                        |
| Handloom Sector                    | No mention           | Ignored                  |
| RCH                                | 448.57 crores        | 122.96crores             |
| Family Welfare Services            | 142 crores           | 254.50crores             |
| Tuberculosis & Malaria             |                      | 10 crores                |

Source: Vibhuti Patel, Gender Audit Of Budgets- A Case Study Of India (Paper presented at the Fourth Regional Workshop on Gender Analysis of the Budgets Co-hosted by UNIFEM and Stree Adhar Kendra in Mumbai on 27-28 November, 2003)

- The major effect of the budget on the lives of most women in the country, is in terms of how it affects the conditions of work and consumption for daily life. The mismatch between available jobs and people who need work has never been so great and is particularly marked for women workers. The need was clearly for an expansion of public employment programmes, and ensuring that more of these are directed towards employing women. (Ghosh, 2003).
- While giving away tax concessions to the rich, the Finance Minister has made things more expensive for ordinary women. Increases in indirect taxes on some basic commodities and the rise in diesel prices will make transport costs go up and therefore cause all prices to rise. (Ghosh, 2003).

- The Budget makes conditions worse for most cultivators by increasing the price of fertilizers, diesel oil used for tube-well, pump-sets and crude oil. It should be remembered that nearly two-thirds of the women in the country are in households that depend dominantly upon agriculture for their livelihood. (Ghosh, 2003).
- Instead of trying to encourage employment generation, the Budget attacks the small scale industrialists through reduction in customs duty, de-reservation of as many as 75 items previously reserved for the small sector and increase in excise duties. There is already substantial evidence of urban women workers in many manufacturing sectors losing formal employment and being forced to find much lower paid piece-rate home based work in subcontracted activities – such a tendency will now be even stronger. (Ghosh, 2003).
- In both health and education, the thrust of the budget is to force people to use private providers rather than a reliable and efficient public services. When health and education services are privatized, the cost of both to the consumer rises sharply and in such a scenario, it is the women and girl – children who are deprived of these services. Thus it is a cruel joke on the women of India for the Finance Minister to declare that his budget is 'Women Friendly'. (Ghosh, 2003).

The issues raised in all the comments listed above are – poverty, unemployment, food, health care, prices and violence.

#### **VII. Budget Allocations at the Macro State Level<sup>10</sup> (Banerjee and Roy, 2003)**

Under the Indian Constitution, state governments are the main agencies for delivering welfare services as well as economic assistance to the people; therefore schemes that deal with aspects of women's well being mainly fall in their domain. The resources that the Central Government allots to such schemes are often routed through state governments for execution. (Banerjee and Roy, 2003). The central government may show an amount allotted to some scheme as actual expenditure on it as soon as it has passed on the funds to the lower level of governments. But whether or not the amount was spent on that specific head cannot be known till state budgets and expenditure pattern are examined. State Governments in India collect revenue receipts from own taxes, state share in centrally collected taxes, own non-tax receipts and grants from the central government.

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<sup>10</sup> The first two segments of this section of the paper are based entirely on Nirmla Banerjee and Poulomi Roy, Gender in Fiscal Policies: The Case of West Bengal, 2003

Table 20 : Relative performance of different states in collection of own taxes 1988-89 to 2001-02

| States      | 88/89 rank in pc current tax | as % of highest pc current collection* | 98/99 rank in pc current tax collection | 98/99 as per cent of high est pc collection* | 2001-02 rank | 01/02 % of highest collection current terms* | %increase in real terms 88/89-98/99** | %increase in real terms 88/89-01/02** |
|-------------|------------------------------|--|---|--|--------------|--|---------------------------------------|---------------------------------------|
| AP          | 8                            | 62.6                                   | 8                                       | 68.4   | 8            | 62.4   | 38                                    | 71                                    |
| Bihar       | 14                           | 18.9                                   | 14                                      | 16.1   | 14           | 12.4   | 8                                     | 13                                    |
| Gujrat      | 4                            | 82.2                                   | 2                                       | 99.8   | 6            | 86.1   | 53                                    | 87                                    |
| Haryana     | 2                            | 95.4                                   | 3                                       | 99.1   | 3            | 98.2   | 32                                    | 77                                    |
| Karnataka   | 5                            | 73.7                                   | 7                                       | 86.2   | 7            | 80.5   | 48                                    | 87                                    |
| Kerala      | 6                            | 70.2                                   | 5                                       | 93.8   | 4            | 93.7   | 69                                    | 128                                   |
| MP          | 11                           | 39.7                                   | 10                                      | 41.3   | 11           | 36   | 32                                    | 50                                    |
| Maharashtra | 2                            | 95.4                                   | 4                                       | 97.2   | 1            | 100  | 32                                    | 68                                    |
| Orissa      | 13                           | 27.2                                   | 13                                      | 26.4   | 13           | 25.5   | 29                                    | 61                                    |
| Punjab      | 1                            | 100                                    | 6                                       | 88.4   | 2            | 98.8   | 12                                    | 70                                    |
| Rajasthan   | 10                           | 40                                     | 9                                       | 46.7   | 9            | 44.5   | 48                                    | 90                                    |
| TN          | 7                            | 68.8                                   | 1                                       | 100  | 5            | 93   | 84                                    | 133                                   |
| UP          | 12                           | 29.2                                   | 12                                      | 30.1   | 12           | 31   | 31                                    | 82                                    |
| WB          | 9                            | 50.1                                   | 11                                      | 39   | 10           | 40   | Neg                                   | 37                                    |

Source: Nirmala Banerjee and Poulomi Roy, Gender in fiscal policies: The case of West Bengal based on data from RBI And CMIE Reports. \* Gives the per capita collection of each state as percentage of the highest per capita collection in that year.\*\* Gives the percentage increase in real per capita collection of own taxes in each state between 1988/89 and 1998/99.

The tax heads allotted to state governments in the Indian constitution are limited mainly to the taxes on commodities and services. Their powers to tax incomes and wealth are limited mainly to agricultural incomes and land ownership; but most states find it politically difficult to tax agriculture and agriculturists. Therefore, the bulk of own tax receipts of all major states come from the group of taxes on commodities and services. Banerjee and Roy (2003) analyse the performance of several states in own tax collection given in Table 20 to show that Tamil Nadu and Kerala started from a much lower base, they have managed to match up to levels comparable with more prosperous states like Maharashtra. In comparison, W. Bengal's poor tax effort has meant that over the years, its dependence on receipts from the Union government has been high. Over the last decade many of the major states had succeeded in reducing dependence on central government.

## Pattern of expenditure by state governments

Revenue expenditure is divided into two broad parts, developmental and non-developmental. Non-developmental items primarily meet the basic costs of running the government and often become a first charge on its resources. Therefore if there were to be any cuts in the state's expenditure, they would be expected to fall on the other, viz. developmental heads. Developmental expenditure consists of two broad parts; social services, under which are included all the welfare-oriented functions of the state and economic services covering functions that promote economic growth.

Table 21 : Share Of Developmental Expenditure And Expenditure On Social Services in Total Revenue Expenditure: Selected Years.

| STATES        | 1988-89  |              | 1993-94  |              | 1996-97  |              | 2001-02  |              |
|---------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|
|               | Devp Exp | Soc Services |
| AP            | 73.8     | 38.2         | 68.2     | 36.8         | 70.6     | 36.2         | 61       | 34.1         |
| Bihar         | 68.7     | 41           | 62.8     | 33           | 58       | 39           | 48.6     | 34.5         |
| Gujrat        | 73       | 38           | 71.6     | 33.7         | 67.4     | 33.4         | 73.6     | 42.4         |
| Haryana       | 71.2     | 39.3         | 63.9     | 42.6         | 45.7     | 20.6         | 59.4     | 31           |
| Karnataka     | 68.4     | 40.9         | 67.3     | 38.3         | 67.7     | 36.3         | 63       | 34.5         |
| Kerala        | 65.3     | 46.8         | 60.2     | 41.4         | 59.6     | 39.6         | 56.2     | 36.8         |
| MP            | 71       | 40.2         | 69.8     | 35.6         | 67.9     | 35.3         | 54.4     | 33.8         |
| Maharashtra   | 69.3     | 35.8         | 56.3     | 29           | 67.5     | 35.8         | 47.3     | 36           |
| Orissa        | 65.3     | 39           | 65.6     | 38           | 61.5     | 39.4         | 46.2     | 32.7         |
| Punjab        | 69.7     | 47.3         | 52.2     | 28.4         | 57       | 23.7         | 43.4     | 28           |
| Rajasthan     | 69.5     | 38.1         | 66.3     | 37.2         | 63.6     | 41.2         | 55.1     | 40.2         |
| TN            | 72.6     | 41.6         | 70.3     | 41           | 66.1     | 39.2         | 57.3     | 36.6         |
| UP            | 65.6     | 35.2         | 57       | 30.5         | 46       | 27.7         | 44       | 30.7         |
| WB            | 66.3     | 43           | 62.1     | 39.1         | 60.5     | 39.3         | 52       | 35.5         |
| All 14 States | 69.3     | 39.4         | 64       | 35           | 61.4     | 34.5         | 54.4     | 34.8         |
| Index No.     | 100      | 100          | 92.3     | 88.8         | 88.6     | 87.6         | 73.3     | 80.6         |

Source: Nirmala Banerjee and Poulomi Roy, Gender in fiscal policies: The case of West Bengal based on data from RBI Bulletin, various issues.

Based on data in Table 21 Banerjee and Roy show that between 1988/89 and 1996/97, for the 14 states taken together, there was a fall of around 12 per cent in the shares both of development expenditure as a whole and of social services separately. By 2001/02, the share of developmental expenditure had fallen by 27 per cent, but the share of social services had begun to rise, though in the last year or two it fell again. The following need highlighting:

1. The share of developmental expenditure had declined significantly on average and in most states. The decline was large in many major states including Punjab, Maharashtra, W. Bengal and Tamil Nadu.
2. However, several other states like Andhra Pradesh, Karnataka and Gujarat had tried to minimize the fall in the share of developmental expenditure. In several states, their share had dipped for a few years and then had started rising again.
3. Within developmental expenditure, the decline in the expenditure on economic services has generally been more pronounced.
4. Towards the end of the decade, there were signs that the trend had been reversed but the development was by no means steady.

Among items in non-developmental expenditure, the increase was mainly in charges on account of interest payments and debt servicing. These charges rose more or less steadily in all states. In W. Bengal, the amount required to meet the annual debt charges have risen particularly fast and claim nearly 30 per cent of the total revenue budget while many other states managed to keep this at less than 20 per cent. Commitments on this account became the first charge on each state's revenue resources and thereby severely curtailed the flexibility in expenditure patterns of the states.

Table 22 : Interest And Debt Servicing Charges: Increases In The Amounts And In Shares in Total Revenue Expenditure : Different States, 1991/92 To 2001/2002.

| STATES      | per cent increase in total amount* | per cent increase in share in rev exp. | per cent in rev exp 01/02 |
|-------------|------------------------------------|--|---------------------------|
| AP          | 643                                | 81.5                                   | 19.6                      |
| Bihar       | 202.4                              | 34.3                                   | 23.4                      |
| Gujrat      | 472.6                              | 3.6                                    | 14.2                      |
| Haryana     | 456.2                              | 40.1                                   | 19.9                      |
| Karnataka   | 402.4                              | 25.4                                   | 14.3                      |
| Kerala      | 399.1                              | 24                                     | 18.6                      |
| MP          | 304.2                              | 49.1                                   | 16.7                      |
| Maharashtra | 362                                | 27                                     | 17.9                      |
| Orissa      | 527.8                              | 60                                     | 29.3                      |
| Punjab      | 679.9                              | 134.9                                  | 20.2                      |
| Rajasthan   | 546.5                              | 63.3                                   | 24.5                      |
| TN          | 455.6                              | 98.5                                   | 13.5                      |

| STATES | per cent increase in total amount* | per cent increase in share in rev exp. | per cent in rev exp 01/02 |
|--------|------------------------------------|--|---------------------------|
| UP     | 460.4                              | 70.9                                   | 31.1                      |
| WB     | 726.4                              | 87.7                                   | 29.1                      |

Source: Nirmala Banerjee and Poulomi Roy, Gender in fiscal policies: The case of West Bengal based on data from RBI; various issues, CMIE; various issues.

\* Each column refers to the head "interest charges and debt servicing"

### Social Sector

The most important budget heads in social services are education and health. Since the bulk of rural development expenditure is allotted to schemes of poverty alleviation it is conventional to club the expenditure under the head "rural development" with social services to estimate the total size of what is known as the social sector (Shariff and Ghosh 2000, Shariff et al 2002). Table 23 provides estimates of per capita expenditure by each state on some of these more important heads in 1999/00 and 2001/02.

Table 23 : Per Capita Exp On Social Sector By Major States: 1999/00 And 2001/02

| STATES      | EDUCATION |         | MEDICAL ETC. |         | RURAL DEVP |         | SOCIAL SECTOR |         |
|-------------|-----------|---------|--------------|---------|------------|---------|---------------|---------|
|             | 99-00     | 2001-02 | 99-00        | 2001-02 | 99-00      | 2001-02 | 99-00         | 2001-02 |
| AP          | 447       | 559     | 148          | 144     | 143        | 137     | 1134          | 1199    |
| Bihar       | 397       | 369     | 96           | 64      | 139        | 87      | 727           | 545     |
| Gujrat      | 679       | 778     | 183          | 155     | 113        | 121     | 1359          | 2450    |
| Haryana     | 625       | 706     | 142          | 144     | 19         | 60      | 1148          | 1331    |
| Karnataka   | 588       | 692     | 170          | 177     | 87         | 113     | 1162          | 1325    |
| Kerala      | 842       | 933     | 222          | 215     | 280        | 291     | 1637          | 1542    |
| MP          | 383       | 325     | 106          | 103     | 92         | 134     | 878           | 829     |
| Maharashtra | 782       | 900     | 146          | 147     | 64         | 56      | 1266          | 1377    |
| Orissa      | 536       | 497     | 118          | 107     | 141        | 76      | 1254          | 936     |
| Punjab      | 785       | 1141    | 146          | 299     | 64         | 57      | 1266          | 1633    |
| Rajasthan   | 573       | 696     | 159          | 142     | 52         | 62      | 1068          | 1167    |
| TN          | 713       | 825     | 187          | 176     | 101        | 115     | 1344          | 1446    |
| UP          | 340       | 380     | 76           | 83      | 115        | 9       | 632           | 633     |
| WB          | 640       | 530     | 157          | 165     | 94         | 132     | 1145          | 1042    |

Source: Nirmala Banerjee and Poulomi Roy, Gender in fiscal policies: The case of West Bengal based on data from RBI Bulletin, various issues.

The data show that

- Education is by far the most important head in the social sector. In this, column 2' shows that, in absolute amounts, Punjab, Kerala and Maharashtra spend the most, and Tamil Nadu as well as Gujarat are fast increasing their per capita expenditure on that head. W. Bengal, in spite of its fast rising State Domestic Product, ranks next only to the poorest of the states.
- Per capita expenditure on medical facilities declined or increased very marginally in all states except Punjab. The decline was extremely sharp in Bihar and Gujarat.

In the case of West Bengal, till 1999-00 expenditure on social services was protected and the cuts were mainly on economic services. The share of economic services in total revenue expenditure fell by one third from about 23.35 per cent in 1988/89 to 15.5 percent in 1999/00. In case of social services, their total share in revenue expenditure stood at 42.95 per cent in 1988/89; it fell slightly in some intermediate years but again stood at 42 per cent in 1999/00.

However on examination of the details of social service expenditure, it is not clear whether this was altogether people-friendly, since almost all the increase had been directed to a few social services. The share of the important head, Medical and Public Health, etc had been about one-fifth of the State's total social service expenditure in 1988/89; but in 1999/00 its share was just 14 per cent. Other important heads in the social sector including Rural Development, were also grossly neglected. The per capita expenditure on Rural Development was Rs. 21 in 1988/89 in current prices. By 1999/00, it had fallen to Rs. 19. In constant prices (1993/94 as the base) the amount had fallen from Rs. 35 in 1988/89 to Rs. 13 in 1999/00.

Allotments to other important heads in this category, as for example Nutrition, were almost negligible throughout this period. Similarly, expenditure on the welfare of scheduled caste and scheduled tribe population was minute as compared to the state NSDP and its volume had declined throughout this period.

Nirmala Banerjee points out that if our overall aim is to harness the state's help in achieving true equality between men and women, we need to push for policies that not merely assist women to fulfill their traditional roles, but also promote them in roles that will change existing gender positions. For this purpose public programmes could be categorized into:

1. Relief Policies : Some of the measures may be meant merely to provide some relief to women without inquiring into the reasons why they particularly are in need of that relief and whether or not their needs are temporary.
2. Gender Reinforcing Assistance : Particular policy measures may provide substantial resources for women but strictly for their needs in accepted gender roles e.g. women's reproductive functions.
3. Equality Promoting Scheme : This would consist of schemes which are meant specifically to remove some gender based handicap of women that prevents them from operating at par with men e.g. providing crèches to allow women to work or for extra toilets for girls in school.

In order to assess the overall thrust of state policies Banerjee and Rao look at total expenditure on women as per these categories.

### 1. *Relief Policies*

Some of the women-prone schemes are meant to provide relief to specific groups of women in distress without inquiring into the reasons why they are in need of that relief and if so, for how long. Usually, relief measures are for people who are adversely affected by some external and unexpected factor such as floods, drought, earthquake or riots. The aid is supposed to be temporary and when the effects of those unforeseen calamities have abated, the victims are supposed to return to their original way of life without depending further on state assistance. Relief aid is not aimed at solving any perennial or structural problem.

Many of the government policies for women however, are by way of giving such temporary relief even when the problem is of an entirely different nature. For example, the Indian state has recently mooted a scheme for providing relief to destitute widows. But no effort is made to understand why widows are particularly susceptible to poverty even though it is a well known that in India, compared to men, women have little or no property rights and their lifelong work is more likely to be unpaid or in the informal sector where there are no old age benefits. Therefore the possibility of widespread distress among widows, particularly older widows, is built into the structures of Indian patriarchy. Therefore in today's situation in India, some temporary relief may be necessary for those widows who are currently destitute, but only as a temporary palliative. The scheme does not indicate that the state is truly committed to the goal of gender equity. Those relief measures must be supplemented by action to ensure that women's property rights are more clearly defined and enforced, and also that, their unpaid and informal work during working age automatically entitles them to some old age benefits.

### 2. *Gender Reinforcing Assistance*

Particular policy measures may provide substantial budgetary resources for women but strictly for their needs in accepted gender roles. This category of gender reinforcing schemes would include all schemes that are for women's reproductive functions. Providing help for women in their tasks of biological reproduction undoubtedly has to be the state's responsibility; but expenditure on these schemes should not be accepted as a proof of the state's concern for gender equality.

### 3. *Empowering Schemes*

The third category consists of schemes that are for removing particular gender-based handicaps of women to enable them to operate on par with men. In this category are all schemes that are welfare oriented in a gender neutral way and also those that address the specific problems that have so far prevented girls and women from enjoying those benefits.

The estimates under all three heads are given in the table below. Even with very generous assumptions the researchers find that the total outlay on women-oriented schemes could not be

assessed at any more than 10 per cent of total revenue expenditure in 2001-02. Further, over 90 per cent of this went to schemes that assumed that if the state made a service commonly available, men and women would automatically be able to draw their due shares of benefits out of the total – without any awareness of the gender based barriers faced by women in India. Only 1.2 per cent was allocated to schemes in category 3b that were designed specially to promote true equality and remove those barriers.

Gender reinforcing schemes were next in importance and were allocated 5 per cent. These were schemes for promoting child welfare and pushing targets for population control and for training women to be anganwadi workers and nurses. Little or no effort was made to provide training in non-traditional skills.

Relief schemes were allocated 1.4 per cent of outlay and were mainly for giving pitifully small amounts as handouts to widows, the old and infirm.

Table 24 : Pattern of Outlay on Women-Oriented Programmes of Govt. of West Bengal  
2001-02 (Rs.000's)

|    | Type of scheme             | Actual outlay<br>2001-02 | per cent of total women<br>oriented outlay | per cent of total rev<br>Exp 1998/99, GOWB |
|----|----------------------------|--------------------------|--|--|
| 1  | Relief schemes             | 326350                   | 1.43                                       | 0.14                                       |
| 2  | Gender reinforcing schemes | 1140976                  | 5  | 0.5  |
| 3a | Equity promoting schemes   | 21067364                 | 92.4                                       | 9  |
| 3b | Equality promoting schemes | 266402                   | 1.17                                       | 0.1  |
|    | Grand total                | 22800762                 | 100  | 9.72                                       |

Source: Nirmala Banerjee and Poulomi Roy, Gender in fiscal policies: The case of West Bengal based on data from budget documents of the Govt. of W. Bengal 2001/02.

The bulk of money for education and health is spent on wages and salaries, thereby leaving very little for maintaining and adding to school buildings or buying materials and books for schools or drugs and other inputs for health. Although formally the service has not been privatized and the State continues to spend substantial resources on health services, in practice users resort increasingly to private health care at substantial cost. Since the poor rely more on state provided health care, this has a regressive effect especially in a gender biased society in which among the poor, women and girls lose out more when costs of providing health services to the family increase.

Table 25 : Percentage Distribution Of Outlay On Education By Economic Categories

| CATEGORIES          | 1991/92 AND 1998/99 |         | per cent CHANGE @ 91/92 TO 98/99 |
|---------------------|---------------------|---------|----------------------------------|
|                     | 1991/92             | 1998/99 |                                  |
| Salaries and wages  | 3.5                 | 5.1     | 223.7                            |
| Grants for salaries | 85.6                | 90      | 134.7                            |
| Other grants        | 7.6                 | 3.1     | -7.9                             |
| Scholarships        | Neg                 | Neg     | Neg                              |
| Others              | 1.3                 | 1.7     | 212.1                            |
| Total (Rs. crores)  | 1331                | 2972.2  | 123                              |

Source: Nirmala Banerjee and Poulomi Roy, Gender in fiscal policies: The case of West Bengal based on data from Budget Documents of the Govt of W.Bengal, various years.

Table 26 : Percentage Distribution Of Expenditure On Health By Economic Categories

| CATEGORY              | 1989/90 | 1998/99 | per cent INCREASE @ 1989/90-1998/99 |
|-----------------------|---------|---------|-------------------------------------|
| Wages & salaries      | 64.4    | 79.7    | 340.2                               |
| Scholarships & grants | 4.7     | 2.4     | 80.18                               |
| Materials             | 16.1    | 7.9     | 76.7                                |
| Machinery             | 2.4     | 2.6     | 278.9                               |
| Others                | 12.3    | 7.4     | 114.1                               |
| Total (Rs Crores)     | 2753.9  | 9824.4  | 256.7                               |

@ indicates percentage rise in the absolute amount of expenditure on the sub-head

Source: Nirmala Banerjee and Poulomi Roy, Gender in fiscal policies: The case of West Bengal based on data from budget documents of the Govt. of W. Bengal, various years.

#### **Analysis of Budgets of Ten States<sup>11</sup> : DWCD-NIPCCD study**

The preliminary analysis of the budgets of ten states (Assam, Bihar, Gujarat, J&K, MP, Maharashtra, Manipur, Meghalaya, Orissa and Rajasthan) conducted by Department of Women & Child Development and National Institute of Public Co-operation and Child Development shows that:

- In the states selected, the range of allocations to programmes (targeted to women and pro-women) varied between 3 per cent and 13 per cent of the state budgets.
- Targeted schemes as compared to pro-women schemes received lower allocation and were less than 1 per cent in seven states (2001-02). The figure was highest for Rajasthan (4.56 per cent).

<sup>11</sup> This section is based on DWCD-NIPCCD Gender Budget Analysis of Selected States- An Initiative, Department of Women & Child Development and National Institute of Public Co-operation and Child Development, November 2002

- Allocation to pro-women schemes showed wide variations across states and ranged between less than 1 per cent to 11 per cent.
- Of the social sector budget, women component (pro-women and targeted) received low percentage allocations in MP (6.5 per cent), modest in Rajasthan, Assam, J&K, Gujarat and Bihar (12 per cent to 23 per cent) and high percentage in Orissa and Manipur (34 per cent to 44 per cent). (See Table 27).

The report also shows that:

- Cluster-wise analysis of schemes and programmes showed that the highest percentage was contributed by social services followed by economic services in all states.
- Three departments viz. WCD/Social Welfare, Education, Health and Family Welfare made higher percentage allocation in their departmental budgets to women (targeted and pro-women). For pro-women schemes, other departments such as Rural Development, Agriculture, Co-operative, Tribal Affairs and Labour played important roles.

Table 27 : Women component allocation as percentage of Total Budget and Total Social Sector Budget of Selected States

| <b>States</b>  | <b>Allocations to Targeted Schemes as per cent of Total State Budget</b> | <b>Allocations to Pro-women Schemes as per cent of Total State Budget</b> | <b>Allocations to Women Schemes as per cent of Total State Budget</b> | <b>Allocations to Targeted Schemes as per cent of Total Social Sector Budget</b> | <b>Allocations to Pro-women Schemes as per cent of Total Social Sector Budget</b> | <b>Allocations to Women Schemes as per cent of Total Social Sector Budget</b> |
|----------------|--|---|---|--|---|---|
| <b>Assam</b>   |  |   |   |  |   |   |
| 2000-01        | .32  | 4.76  | 5.08  | .61  | 9.07  | 9.68  |
| 2001-02        | .31  | 4.43  | 4.74  | .79  | 11.42   | 12.22   |
| <b>Bihar</b>   |  |   |   |  |   |   |
| 2000-01        | 1.19   | 6.55  | 7.75  | 3.55   | 19.52   | 23.07   |
| 2001-02        | .5   | 3.88  | 4.38  | 2.35   | 18.21   | 20.56   |
| <b>Gujarat</b> |  |   |   |  |   |   |
| 2000-01        | .97  | 4.1   | 5.07  | 3.52   | 14.96   | 18.48   |
| 2001-02        | .52  | 3.11  | 3.63  | 2.01   | 12.12   | 14.13   |

| <b>States</b>      | <b>Allocations to Targeted Schemes as per cent of Total State Budget</b> | <b>Allocations to Pro-women Schemes as per cent of Total State Budget</b> | <b>Allocations to Women Schemes as per cent of Total State Budget</b> | <b>Allocations to Targeted Schemes as per cent of Total Social Sector Budget</b> | <b>Allocations to Pro-women Schemes as per cent of Total Social Sector Budget</b> | <b>Allocations to Women Schemes as per cent of Total Social Sector Budget</b> |
|--------------------|--|---|---|--|---|---|
| <b>J&amp;K</b>     |  |   |   |  |   |   |
| 2000-01            | 2.22   | .59   | 2.81  | 10.11  | 2.69  | 12.80   |
| 2001-02            | 1.91   | .56   | 2.48  | 8.79   | 2.59  | 11.37   |
| <b>MP</b>          |  |   |   |  |   |   |
| 2000-01            | .89  | 1.35  | 2.25  | 3.03   | 4.60  | 7.63  |
| 2001-02            | .58  | .99   | 1.57  | 2.40   | 4.10  | 6.50  |
| <b>Maharashtra</b> |  |   |   |  |   |   |
| 2000-01            | .64  | 3.92  | 4.56  | 2.46   | 15.08   | 17.54   |
| 2001-02            | .65  | 4.00  | 4.65  | 2.65   | 16.30   | 18.95   |
| <b>Manipur</b>     |  |   |   |  |   |   |
| 2000-01            | .22  | 11.01   | 11.22   | .66  | 33.50   | 34.16   |
| 2001-02            | .34  | 7.45  | 7.78  | 1.02   | 22.66   | 23.68   |
| <b>Meghalaya</b>   |  |   |   |  |   |   |
| 2000-01            | 1.81   | 9.32  | 11.12   | 4.73   | 24.38   | 29.10   |
| 2001-02            | 3.2  | 10.74   | 13.95   | 6.64   | 22.26   | 28.90   |
| <b>Orissa</b>      |  |   |   |  |   |   |
| 2000-01            | .54  | 10.03   | 10.57   | 2.29   | 42.08   | 44.37   |
| 2001-02            | .44  | 6.85  | 7.29  | 2.50   | 38.84   | 41.34   |
| <b>Rajasthan</b>   |  |   |   |  |   |   |
| 2000-01            | 2.7  | 2.29  | 4.99  | 7.48   | 6.34  | 13.82   |
| 2001-02            | 4.56   | 2.25  | 6.81  | 10.79  | 5.33  | 16.13   |

Note: Allocations are RE figures except for Assam where BE figures have been taken for 2001-02.  
Source: Gender Budget Analysis of Selected States- An Initiative, Department of Women & Child Development and National Institute of Public Co-operation and Child Development, November 2002.

## **The Maharashtra Employment Guarantee Scheme: An Analysis<sup>12</sup> (Krishnaraj, Pandey and Kanchi., 2003)**

In the context of the need to provide guaranteed employment for all those who can work, a brief analysis of the EGS in Maharashtra is given below. The EGS is the largest State sponsored public works programme focused on the alleviation of poverty as well as the oldest of such programmes in the developing world. With 'magel tyala kam' (work on demand) as its slogan, the EGS guarantees gainful employment to all adults above 18 years of age, in rural areas and 'C' class Municipal Councils, who are willing to undertake unskilled manual work on a piece rate basis. The main objective of the EGS is two fold: to provide household income in the short run by giving employment and to contribute to the development of rural infrastructure and thereby create sustained employment opportunities in the long run.

Women have been the major beneficiaries of this scheme since its inception as the scheme guarantees work for all those who demand it. Distinct from other anti-poverty programmes, the EGS is implemented by the elaborate administrative system in existence in the State, with a few modifications and at very little additional cost.

Employment and income opportunities under the EGS represent important economic gains for women but these do not automatically lead to increased access to money. Though officials on site asserted that wages were generally handed over to women workers, Krishnaraj (2003) show that the methods of measuring work payment do not ensure precision or transparency. Since work is done by a group of both men and women, the calculation of the individual share of wages, especially of women is somewhat subjective and depends on the team leader who is usually male, as well as the other co-workers.

The record of employment available with the Implementing Agencies and later on submitted for consolidation to the Collector's Office is in the form of male/female person-days generated fortnightly on site. This unit of measurement of employment, namely, person-days, does not tell us the number of men/women who worked on site and the number of days they worked. For example, the figure, '90 female person-days' fails to tell us whether 15 women worked for 6 days or whether 6 women worked for 15 days. This is one of the difficulties encountered while calculating the benefit incidence. The muster of a particular site is almost impossible to trace after the period of 15 days required for the payment of wages. The data procured by the research team was available only because it was collected while the project was in progress.

Certain features of EGS such as availability of work close to the village, parity of wages offered to men and women, the advantages of working alongside the family, all constitute significant attractions. The special EGS provisions for women such as shelter, provision of drinking water and crèche for children also helped to draw women to EGS from its very beginning. Nevertheless EGS fails to deliver

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<sup>12</sup> This section is based on Maitreyi Krishnaraj, Divya Pandey and Aruna Kanchi, (2003) Employment Guarantee Scheme, Unifem, Follow the Money Series, New Delhi.

on the many commitments that the Act has made to women. For instance maternity benefits have never reached women as eligibility for this benefit requires proving 75 days work. With insecure employment, shifting work sites and inadequate records a woman has no way of showing the stipulated days of work. Had she been given an ID card and work registration of which she could have a copy, she would have proof of days worked. Similarly, with regard to shelters and crèches officials say as work sites are temporary, they cannot provide these. No toilets can be detected on/near EGS sites and there is total lack of privacy.

It must be noted here, that awareness amongst women is confined to awareness of their right to demand work under EGS. Awareness regarding their rights or entitlements under the Scheme or awareness/knowledge regarding measurement of work and calculation of wages is practically non-existent.

A major concern is the issue of underutilisation of EGS funds. The most significant leakage occurs in the form of the failure of EGS expenditure to keep pace with the receipts.

Krishnaraj et al (2003) point out that to become more relevant to women, EGS must find ways within the existing framework to improve women's access to resources. This can be achieved by

- i) Enriching their capabilities by according related skills/training to women in agriculture and related activities.
- ii) Creating community assets under EGS that answer women's needs and devising ways to award the ownership of community assets created under EGS to women's groups.
- iii) Other existing government programmes such as health, literacy, education, child care etc. could take advantage of the presence of large number of women on EGS sites to focus these services on women. What is needed is to create a synergy of services where EGS sites provide an ideal site for literacy, health, maternity benefit schemes for the unorganised sector and awareness programmes.
- iv) EGS would contribute much to the cause of women by simply fulfilling its original agenda: soil and water conservation, conservation of forests and other natural resources which feed into women's special requirement of water, fodder, fuel besides enhancing productivity in agriculture.
- v) Migrant women EGS workers face special problems and they need attention.

#### **VIII. Budget Allocations at the Micro Level: Building Budgets from below with participation of women<sup>13</sup> (Bhatt, 2003)**

The importance of participatory budget making and involvement of women in resource allocation decisions pertaining to use of public funds is highlighted in the example below as the priorities of women are often very different from those of men.

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<sup>13</sup> This section is based entirely on research by Ahalya Bhatt 'Building Budgets from Below' UNIFEM- KWIRC, 2003

Elected women representatives of Honaganahalli and Kogali Gram Panchayat were asked to prepare an **Ought Budget or Dream Budget** (Bhatt, 2003). The elected women representatives gave maximum priority to drinking water followed by drainage. As the village lacked proper drainage, construction of toilets could not be taken up due to absence of drainage system. Repairs to the Anganwadi centre needed attention so that girls could be sent to Anganwadi and primary schools for their education.

Next in the priority was improvement of infrastructure like tarring of roads, culverts, maintenance of school buildings and bus shelter. It is to be noted here that all the three villages of the panchayat are located adjacent to the main road. There was a great demand from the participants that buses plying on the main road should be allowed to stop near the panchayat's office which would help them to market their produce such as pomegranates, grapes, millet, wheat and other agricultural products. This was also strongly supported by the Syndicate Bank officials. It is significant that according to bank records around Rs. 12 lakhs have been given as loan to the panchayats towards development of horticulture. Sixteen farmers have utilized this facility.

The priorities of the members were as follows:

1. Drinking water- provision of potable water.
2. Drainage system- toilets, both individual and community.
3. Public infrastructure- laying of roads, tarring of culverts.
4. Bus Stand.
5. Security- streetlights.
6. Houses for the poor under Ashraya Scheme.
7. Administration.
8. Hospital (Maternity).
9. Self-Employment for women such as handicrafts, embroidery, etc.

Based on their research and discussions in 'Building Budgets from Below' they note and recommend that (Bhatt, 2003).

- The budget should be derived from local planning and should be based on what elected representatives including women advocate as their priorities, such as livelihood, water, drainage, education, health, etc.
- The elected women representatives who have been given one-third membership of the panchayats and cover one million in the country are frustrated because they have good knowledge of local needs and what can be done. Only when budget makers are local members can national resources be used productively, eliminating leakages.

- Budget gifts that are announced are of trivial nature, for instance exemption of sales taxes on cosmetics, income tax exemption to women's entrepreneurs. The focus has to be on giving livelihoods for poor women who are the majority and to providing opportunities for them to earn a living and to have access to cash income and assets.
- Fiscal policy should be for enabling employment and ownership of assets. The budget should be so designed as to take care of full employment. It should make the right to development and right to livelihood effective rights.
- Nowhere have the women in village panchayats have been given the function of making the budgets. Budget has been separated from the planning function, which comes first, for after all, it is against the plan that a budget is made. PRIs have been given the responsibility of planning (Article 243G of Karnataka Panchayat Raj, 1993) that they will prepare area plans for economic development. This disjunction between the planning and budget has on the one hand excluded women and on the other hand made the budget exercise totally centralized, carrying pre-conceived priorities and schemes that are not based on local government.

## **IX. Recommendations**

This paper highlights the fact that policies and policy statements have not been translated into action and have failed to address the needs of women and the poor. Women's substantial but statistically invisible and unrecognized non-market and unpaid market work subsidises the family and the economy. Policies and budgets need to take cognisance of this, address their needs and correct for the multiple deprivation and marginalisation suffered by virtually all women and especially those below the poverty line. Women constitute 50 per cent of the population and they must be part of the budget process. As equal citizens, women have a right to stake a claim to their entitlements under all categories of public spending, not just token women's programmes. In every field of activity, therefore, we ask does this meet our needs and priorities? For our priorities must be included in fiscal policy.

What are women's priorities in resource allocation? Poor women, women's elected representatives in panchayats as well as feminists have repeatedly demanded priority allocations in the budget to ensure access to work, drinking water and water, drainage and toilets, public infrastructure such as roads, transport facilities, medical facilities, shelter and security. An attempt at listing some of the recommendations based on the many of the research documents referred to in the preceding sections, is given below.

### **Recommendations regarding Priority Allocations**

- Budget allocations have to give first priority to access to food for those in severe poverty. Starvation-led suicide by people in severe, long duration poverty as well as by those driven into severe poverty due to sudden shocks such as crop failure must be prevented through mandatory access to work on demand for those who are able bodied and through mandatory provisions of

food by the state for the old, disabled and chronically ill, for they must have first charge on public resources.

- Direct access to safe drinking water in each home and safe sewage disposal have to be provided on priority with all needed resources directed towards ensuring mandatory availability of this in a time bound manner. Costs in terms of person days lost and debilitation justify this. Without in any way underestimating its importance it needs to be noted that while resources need to be allocated to defence due to perceived threat of war, poor quality drinking water is a daily threat faced by all Indians in rural areas and most Indians in urban areas. Therefore this needs immediate attention and mandatory and high quality provision.
- Access to water for daily needs must be given very high priority as having to walk for miles to fetch water entails drudgery, increases women's work burden and additionally prevents women from utilizing the time for domestic and work related tasks.
- The government should regulate commercialization of water resources as cornering of water by private players has increased rural women's plight.
- Dalit and tribal women find it very difficult and at times impossible to get water from the common taps. Common taps are in the center of the village while their dwelling places are at the margin of the village or near the house of the sarpanch. Hence, separate taps for Dalit and tribal women, in their hamlet should be provided by the state.
- The budget should be so designed as to take care of full employment. It should make the right to livelihood effective rights. Work on demand must be a right. Allocations must be available for each state to ensure unskilled employment on demand based on an employment guarantee scheme patterned on the Maharashtra EGS but correcting for the inadequacies in it. Work must be available throughout the year and wages paid directly to each person. Community assets created under EGS must meet women's needs.
- Employment creation programmes must be strengthened and reservations for women under these and other anti-poverty programmes be increased to 50 per cent.
- Empower women's organizations and citizens groups to monitor the enforcement of equal and minimum wages legislation by government and adherence to norms in poverty alleviation programmes.
- To decrease rural poverty the State should give priority to increasing its spending on rural roads and agricultural research and extension as these types of investment not only have a large impact on poverty per rupee spent but also produce the greatest growth in agricultural productivity.
- To prevent entry into poverty, provisions must be made for state provisioning of health care to reduce the impact of health care related shocks or costs and ensuing high interest debt.

- Better implementation of existing programmes particularly ensuring equal wages for equal work and timely dispersal of wages be given top priority and Self Help Groups (SHGs) of women be associated to ensure effective implementation of existing schemes.
- Domestic violence must be treated as a crime and adequate allocations must be made for shelters for women.
- Enhanced support to women engaged in economic activities in urban and semi-urban centres through the provision of working women's hostels.
- The strategy of organizing women into self-help groups initiated in the Ninth plan should be extended to expand micro-credit availability.
- No budgetary allocations for controversial and dangerous contraceptives for women.
- Public Indian-style toilets should be provided at regular intervals in urban and rural areas.
- Particular attention should be given to improve women's access to quality reproductive health services.
- Special budgetary provisions for women patients (separate from family planning budget) in the primary health centers and public hospitals.
- Safe transport for working women and school and college-going girls to facilitate women's participation in educational and economic activities.

#### **Recommendations regarding Process**

- Macroscan of Budgets through gender lens at all tiers of government including gender-sensitive budgeting at sub national government levels needs to be strengthened.
- Sectoral analysis of budgetary allocations and their impact on women needs to be undertaken.
- Built-in Mechanism to analyze the budgetary policies through gender lens at three levels: in terms of Budget Estimates, Revised Estimates and Actual Outlays when audited figures become available. Monitor the implementation of schemes targeted for women such that there is no significant deviation between Budget Estimates and Revised Estimates.
- Separate listing of women specific items and women's component and transparency in utilization of the allocated amount for women's programmes should be undertaken.
- Women-specific programmes of strategic nature should target women of different age groups in terms of strategic interventions to take specific notice of adolescent girls, older women and women in difficult circumstances.
- Segregation of the provisions earmarked for women in the composite programmes under health, education and rural development and introduction of transparency in the budget in order to

protect these provisions earmarked for women by placing restrictions on their reappropriation for other purposes.

- Consolidate the schemes with provision of Rs 10 crores or less, to avoid proliferation of programmes with little money, which can hardly make any impact on women and so as to reduce administrative costs.
- Strategic gender tools like gender audits, gender impact assessments, gender analysis and gender budgeting to monitor implementation and impacts must be developed.
- Mechanism for Output Monitoring through Benefit Incidence Analysis to analyze how the budgetary allocations have benefited the targeted beneficiaries. Selective primary surveys need to be conducted to develop the system of unit cost and units utilized.
- More resources and decision-making powers to local bodies where there is transparency and public participation.
- Women in village panchayats must be involved in the function of making the budgets so as to avoid disjunction between planning and budget that has on the one hand excluded women and on the other hand made the budget exercise totally centralized, with priorities and schemes that are not rooted in local government needs.
- The elected women representatives who have been given one-third membership of the panchayats and cover one million in the country are frustrated because they have good knowledge of local needs and what can be done. Their involvement in the budget is needed to ensure that national resources are used productively and eliminate leakages.
- While granting license to new establishment, an inquiry should be made about basic amenities for women workers.
- Affirmative action by the state to protect women producers in the factor market (i.e. loan facilities, land allocation etc.) and women employees and workers in the labour market and self employed women (who are facing innumerable difficulties) in the product market should be mentioned with specific details.
- Locate suitable measures that remove women's gender-based handicaps in the public domain not only with regard to merit goods and social services but also with regard to provision of public goods like law and order as well of infrastructure and economic services so that they meet women's special needs.
- Professional organizations including universities should be encouraged to undertake evaluation and research studies to identify issues requiring special attention.
- The aim should be to direct the state to time-bound but significant relief measures that can have noticeable impact on the basic gender relations in society.

- Most importantly strengthen the gender-disaggregated database within relevant Departments/ Ministries, which enables an effective monitoring of targets and achievements across gender.

The question that may be raised is where are the resources to meet these priorities. Two points may be noted in this regard. Firstly so as to generate additional resources for these activities the state must ensure that all PSU disinvestments is used **only** to retire debt so as to decrease the burden of interest payments and release funds for the priorities mentioned below. Secondly, given the size of the budget, it is possible to reprioritise expenditure to ensure that the first charge on the budget is given to access to work, drinking water and water, drainage and toilets, public infrastructure such as roads, transport facilities, medical facilities, shelter and security.

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# **AN OVERVIEW AND PROPOSAL FOR NCW ON FISCAL POLICY AND WOMEN**

● *Devaki Jain*

The paper under consideration prepared by Aasha Kapur Mehta and team is a comprehensive paper capturing all the work done in India, but also going beyond and drawing on earlier work done on chronic poverty with special reference to the deprivations of women which could be listed as

Deprivation from water, not only drinking water, but water for domestic use;  
Invisibility of their work and therefore the neglect and the low value;  
The drudgery of their work.

It also tries to trace where the money which is earned is going.

II : What is the special niche that NCW would like to occupy in this particular space, namely the many initiatives that are being taken to do what is called Gender Budgeting? How could the role that NCW plays be different and yet enabling to all the other initiative? Further, is there something called a women's perspective on the whole notion of fiscal policy or the whole phenomena and work or exercise called fiscal policy?

What seems to be emerging as negatives is that we should not fall into the trap of merely asking for more allocations, especially to what is called the women's department or women oriented schemes. This is for two reasons:

1. There is a tendency to think that what women want is more allocations and more schemes for women. Each year, budget is increased and more schemes are created. However, while it is important to have funds what is called reserved to be spent only on women, whether it is women's health, women's education, women's employment or institutions which enable women like crèches, or homes or help lines, etc, allocation to women itself does not fully take care of what could be called women's understanding of the political economy and what other changes would make their particular location less stressful.
2. We need to concentrate our attention on the deprived sections of women. In other words, all women cannot have the same identity and therefore in order to make the proposals have a moral value, they should be related to women in deprivation, women who are excluded, women who are discriminated against in terms of double discrimination, i.e. poverty as well as caste, such as the dalits for example.

It is in this context that Aasha Kapur Mehta's paper by drawing attention to water as so critical for every aspect of the life of the women and the family and society, shows how women's advise to fiscal policy can actually be directed towards an issue like water without necessarily mentioning women. Once we take water as the main demand, then what we are saying is many things.

One, that the supply of water is one of the most critical needs for women.

Two, what are the constraints to supplying of water? Is it investment, is it management, etc. etc.

3. It would also draw attention to the fact that there is a strong class differentiation in water availability and thus bring attention to the need to address the question of poor people and their need for water. It would bring in environmental issues and social justice issues.

Most of the analysis including that done in the Mumbai workshop of UNIFEM<sup>1</sup>, which was the regional workshop, show unspent funds. In other words, many budgets are not fully utilized. There is money lying not only for example, unused for the employment guarantee scheme in Maharashtra, but Swarna Nayanti, Mahila Khosh, including MP funds. Therefore one of the areas in which intervention would be required is not only to ask why is it unutilized, but to argue that utilization would depend on other forms of institutional arrangements for delivery, for claiming the money and for making sure that it appropriately reaches its goals. For this, a greater devolution of funds into the hands of those who are to receive it, both women's organizations as well as women's committees in the local self government would be a valuable step.

**This could be a proposal.**

Here, there are many examples, apart from the Kerala model, where untied funds have been given to the Panchayati Raj institutions, for them to design how it is used and to monitor its use, so that the elected persons are held accountable both for the use of the money and the design of its use; there is Nagaland where, they have gone one step further and given powers for employing the staff that function under a gram panchayat to the elected persons. In other words, the staff are not departmental, and therefore accountability is improved. Further, in Nagaland<sup>2</sup>, they call their institutional approach, communitisation, not decentralization, but communitisation. In other words, communities are responsible for receiving funds, spending it and also getting it used for the purpose for which it is used. Thus institutions need our attention.

Right to information, Jan Sunwai etc., more effective when governance is proximate.

Apart from low utilization, another factor is that it does not reach those for whom it is meant. In other words, there is deep corruption in the flow of money. This also required other institutional mechanisms such as that mentioned above.

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<sup>1</sup> 4<sup>th</sup> Regional Workshop on Gender Budget, UNIFEM, 27-28 November 2003, Mumbai

<sup>2</sup> Pandey chief secretary Nagaland's paper at the UNDP retreat, reflections on HDRs, goa 11-14 dec 2003.

Finally, there are inappropriate schemes which do not respond to the needs of poor women and therefore designing also has to be done locally, so that it is understood. For example, Dr. Nirmla Banerjee<sup>3</sup>, who did an evaluation of the Swarna Jayanti Yojana in West Bengal funds not only unutilized funds, but feels inappropriate schemes have been designed. She suggests that women who are to be the beneficiaries, are enabled to make a plan on how they would like to use the money and the money then given to them to be used according to the plan they make and not according to the package which is called Swarna Jayanti Yojana.

This is also a strong voice that the most important need of poor women is for livelihoods. If it is livelihoods, then the women's advise to fiscal policy would be that the economic model on which the fiscal budget and management is organized needs to plan for full employment. We would critique the fact that the growth rate of employment in India has fallen from 2 plus % to less than 1%, though it has slightly picked up in the last three years (See my Lovraj Kumar Memorial Lecture)<sup>4</sup>. This responds to what Shri K.C. Pant, Deputy Chairman, Planning Commission is saying (Goa Retreat speech), that the approach now to development should be to generate more jobs, both in agriculture and in non farm employment and to develop skilled training modules, which would enable people to plug into the market economy.

Recently the Finance Minister<sup>5</sup> has said that he would not remove subsidies on agriculture, as Indian agriculture traditionally has been one for food security and not merely for exports and surplus generation. Similarly, he has also put a control over non ocean fish farming, suggesting that the ocean fish farming is a source of livelihood to the coastal people and should not be encroached upon. It would be important for the NCW to look at how this kind of approach of the Finance Minister to protect India's food security through agriculture, can be further translated into mechanisms by which women can be protected in their jobs in agriculture and yet have job security also.

Ms. Shah<sup>6</sup> has prepared an excellent paper which gives women's employment in agriculture and what are the problems and this could be a basis for a proposal on agriculture and women.

In terms of data – we should propose that district level and panchayati raj level information on the impact of development, apart from the transparency on how it is spent, needs to be increased and therefore the research that NCW would like to continue to promote is to develop mechanisms by which women can do a gender audit on the plans that are made at the local and at the national level.

Finally in terms of methodology, it should be important to request the Finance Minister to have a consultation with women, as he has with economists, corporate and the trade unions. Before this consultation, the women need to prepare what could be their memorandum in view of the current approach to the budget. It should have a needle point intervention which is both credible, durable and yet brings in the needs of poor women.

<sup>3</sup> Paper given at the UNIFEM regional meeting mentioned above

<sup>4</sup> Devaki Jain, "Are we knowledge Proof? Development as Waste", speed delivered at Lovraj Kumar Memorial Lecture, New Delhi, 26 September 2003 (Reprinted in Wastelands News, Vol. XIX, No. 1.

<sup>5</sup> Speech of fm date

<sup>6</sup> Amita Shah, "Poverty and Agricultural growth: implications for women", Gender Poverty Summit, New Delhi, 9-11 November 2003, organized by Women's Political Watch and National Council of Applied Economic Research

## **NOTE ON 'GENDER SENSITIVE' APPROACH TO BUDGET SUBMITTED TO THE NATIONAL COMMISSION FOR WOMEN**

● *Shri S. Gurumurthy*

To put it plainly, the issue of gender is irrelevant to the larger India which is not governed by the rules applicable to the atomized Anglo Saxon societies. Here gender is almost an issue of the elites. India is largely traditional and it will continue to own and live by its traditions despite all efforts of modernity to de-legitimize traditions. It is elite India which is struggling to live by the façade of the Anglo Saxon individualistic and atomized life style. Even here most of those who advocate the Anglo Saxon individualistic approach to life from the public platforms basically live by the tradition of collectivism at the family and at the community levels. So it is atomization of families into genders for public consumption while their private lives are secured by well-knit family and community ties. So the public debate in India is disconnected from ground reality and almost borders on hypocrisy. Like we were pursuing socialism for forty years without any of us believing in socialism and with none of us being socialists. We are pursuing gender issue without any of us believing in it at the family or social level. We do not believe in it because the issue is basically of Anglo-Saxon origin and has no applicability.

This is not to deny that women have no problems in India. It does mean that there is no women-specific approach to issues. Women specific approach is very different from gender specific approach. Problems of women are not gender specific but they are family centric. Women and families are inseparable in India. A family can survive a wrong father but it cannot survive a wrong mother. The family in India is the most effective economic delivery mechanism, as the source of the largest savings, determining discipline of measured consumption and the safety net for social security. It does not require a seer to say that without a family to take care of the social security obligations the state will become bankrupt, should it be called upon to undertake the burden. So the family is an irreplaceable mechanism for economic functions which performs under cultural discipline inherited from the protected by diverse traditions honoured and followed for millennia in this country. Gender consciousness in the way it is being articulated in this country will, in years to come, create a situation like the one prevailing in the west which will render a large segment of the families in India just biological mechanism, bereft of their cultural and economic character. The resultant economic burden will be unbearable for the state. So the Anglo Saxon individualistic and gender approach to India will be disastrous. If there is any burden which is ticking under the economies of different western nations like a time bomb, it is the social security burden. In the US today this is the biggest economic issue. This cannot be borne by the state and needs to be privatized, but it cannot be without the mechanism

of a culture driven family and which does not divide the family into genders. So we should not repeat the horrible mistakes which the west committed from which it does not know how to help itself out.

The reality in India is not the gender, but the family. Whether the modernists like it or not the women of India are essentially the builders of families. They are essentially mothers. This is true of 99% women, the modern ones included. Those who deny this and attempt to paste just a gender character to the women of India are disconnected from the reality. This is the truth but not a fashionable one. But this truth cannot be put under the veneer of a fashionable lie. There is a feminine dimension of family economics. It is they who decide the consumption and savings pattern in India. They play a critical role at the micro level which has cumulative effect at the macro level. So I would recommend a family-inclusive feminine orientation, but not 'gender sensitivity' which has a different meaning and content. So a different philosophic content is needed to handle this issue. To conclude, divide women and family will be disastrous for the nation. The views a new socialites in Mumbai and in the few cities should not be substituted for the reality that is India. So I would warn against such elitist and western approach to the issue.

Women are the main instrument to handle most economic issues at the family level. The ideas of housewife who does not work as well as the working women too are middle class phenomena. Almost all women in India outside the middle class segment are working women, but they are no office going women. All of them are engaged in income earning activities for running, not just supplementing families. Whether they are vegetable vendors or papad makers or servant maids or women doing multiple jobs for increasing the income of the families, they perform a very high level economic activity. The rural women do agricultural work and also do other work. It is rare to see a woman not working in rural areas. But the gender issues are discussed only in the context of the English educated urban women. So, a feminine agenda is needed for handling to issues relating to women, which are not just gender specific issues, but family inclusive issues.

So, a feminine content is needed in making economic policies. This is because women are more reliable and more responsible delivery mechanism for family economics which includes child welfare and general family welfare. So there must be policy inputs and institutional specialization to attend to women not as women but as has been said earlier, but because they are the best and most appropriate delivery mechanism for economic input and benefits to family & children. This is true of the bottom spread families of India, and of rural areas, more. In short feminine orientation to the budget will mean family and child orientation to the budget will mean family and child orientation to budget.

For this purpose, the following suggestions are made for policy formulation for giving a feminine orientation to the budget for 2004-05

1. It is time that a Development Bank for women is constituted. This Bank must be headed by women and staffed by women. This should provide wholesale credit for refinancing direct credit

for women at the bottom spread of the economy and also credit guarantees. The BJP manifesto for the 1988 Lok Sabha elections contains a proposal to this effect.

2. It is necessary a special women counter is created in all banks and credit providing institutions and a certain amount of funds should be earmarked for women entrepreneurs.
3. There should be tax shelters for self-employed women. This can include special deductions for specific purposes like education and maintenance of children.
4. Micro credit cards can be issued to rural and semi-urban women by local banks for provision of credit on the lines of Kisan credit cards.
5. For increasing the use of nutritional diet for women and children it is necessary to cultivate coarse grains, the production of which has fallen steeply as compared to the level of production in 1950s because of the high level of homogenization of the crop pattern and its skewed trend in favour of high water consuming what and paddy. In addition, vegetable cultivation should be encouraged. Policies will have to be devised with a view to increasing the diversity of agriculture in favour of nutrition rich cultivation. This should be distinguished from crop diversity for commercial purposes. They way nutritive fruits and coarse grains were available in villages before large scale shift in crop patter took place, there has to be a shift back to crops which will improve local consumption. This will mean that the villages will also produce for themselves, instead of producing mainly for urban consumption.
6. Instead of adult education as the goal, adult women education should be made the specific target. A scheme named after the first the most educated women of the world, Gargi, can be initiated for this purpose. This should target the elimination of female illiteracy in the next five years. Women below the age of 60 must be the target of this exercise. Students from villages and semi urban areas may be employed as bear foot education providers in return for scholarship for their education. The educational institutional can be made the planners and executors of this scheme. The infrastructure of the educational institutions may be made available for this purpose.

Instead of factoring too much and implementing too little, let this budget begin with a visible initiative for feminine content in micro economics related to families in India. Any attempt to handle the feminine content of the budget as gender content will be out of tune with the larger India and will be only the agenda of the socialite elites who dominate the public debate on women related issues on the western idioms and norms.

## **GENDER BUDGETING**

● *Dr. Geeta Gouri*

A Budget is inherently gender neutral especially when it relates to the Union Budget. This gender neutrality is similar to that of money neutrality. Hence when reference is made to Gender Budgeting it refers specifically to the manner in which in which revenue resources the Government expends and in the process whether Gender considerations get represented. Efforts have been on by activists to make the Union Budget more gender sensitive through schemes that are primarily targeted towards women including girl child as Budget documents show that the proportion of targeted schemes, for both plan and non-plan expenditure do not cross even 3% of the total budgetary allocation. A major area of intervention is hence, aimed at (a) increasing the number of gender specific schemes and (b) increase in resource allocation in the budget for expenditure on women and child welfare. While no doubt it is important to increase budgetary allocation specifically related to women and children there are however inherent limitations in this approach arising primarily from resources constraint. This tends to limit the number of schemes that can be included in the Union Budget. At the same time implementation problems in terms of utilization of funds and targeting of funds to the required group display the same level of success as in the case of other gender neutral projects. To clarify, funds often remain unutilized or do not reach the targeted group. It is therefore important that while emphasizing gender issues by way of specific proposals it is equally important to suggest measures which are included in the scheme itself that ensures the funds are targeted and well utilized. At the same time gender neutral projects which have gender – differential impacts can also be made gender sensitive by incorporating in-built linkage clauses since the magnitude of the problem is so large it is equally important to look at gender neutral schemes and link it to gender specific issues. This would be both a more pragmatic and creative way of making the Budget gender sensitive. It can however be argued that details of a scheme are not concerns of the Union Budget. The point to be noted is in the nature of the proposed details. This note attempts to highlight some possible ways of incorporating gender sensitivity which when included in the Budget would ensure greater success in implementation of both gender specific schemes and gender neutral schemes.

The note will consist of two parts. The first part while reviewing the gender specific schemes suggests inclusion of new schemes for consideration of the Government. The second part will attempt to suggest clauses that need to be incorporated in any scheme that relate to problems of basic minimum standards of living and suggest possible ways of making it gender sensitive and could be called as 'link-clauses'. The note is exploratory and is more to provoke further thinking on the area

specifically from activists to focus on certain critical clauses that would ensure that funds are utilized and targeted. While, it is easy to make large macro suggestions specific programmes, objectives of gender budgeting can be more effectively addresses through incorporation of gender clauses in all social schemes and economic services.

### Gender Dimensions in the Union Budget

In the Union Budget, Central Government Expenditure consists of two parts, plan and non-plan expenditures. In this categorization those relating to women and child are those occurring in social services more specifically health and family welfare, water supply, sanitation housing and urban development; economic services mainly in the heading agriculture and allied activities and rural development programmes. A quick glimpse of Central Government's expenditure on women related programmes to total expenditure (plan and non-plan expenditure) is given below:

#### Central Government Expenditure on Specific Heads (%)

| Expenditure Head   | 2003-04 (BE) |      | 2002-03 (RE) |       | 2001-02 (A) |       |
|--|--------------|------|--------------|-------|-------------|-------|
|  | Non-Plan     | Plan | Non-Plan     | Plan  | Non-Plan    | Plan  |
| <b>1. Social Services</b>                                | 1.56         | 6.58 | 1.65         | 6.32  | 2.07        | 6.32  |
| Health and family welfare                                | 0.23         | 1.36 | 0.25         | 1.26  | 0.25        | 1.31  |
| Water supply, sanitation, housing and urban developments | —            | 1.40 | —            | 1.53  | —           | 1.53  |
| <b>2. Economic services</b>                              | 2.56         | 9.77 | 2.89         | 10.47 | 1.27        | 16.61 |
| Agriculture and allied activities                        | 0.18         | 0.85 | 0.25         | 0.76  | 0.29        | 0.93  |
| Rural development  | —            | 1.47 | —            | 2.79  | —           | 1.58  |

Source: Budget Documents, Government of India; percentages as tabulated in Economic and Political Weekly.

From the table it can be seen that: (a) the proportion of expenditure on social services is very low as a percentage of aggregate expenditure; (b) within the broad category of social services gender related if only health and family welfare and sanitation, housing, and urban development is included and is less than one percent in terms of non-plan expenditure and less than 2% on plan expenditure; (c) the proportion of exclusively gender specific would be marginal. In the expenditure heading economic services the story is similar. The table only underlines the fact that Government expenditure on poverty alleviation schemes and social services in general is marginal as compared to other expenditure such as defence and subsidies. Within this set the proportion assigned to women is naturally smaller. The

Union Budget will therefore not only have to address the problem of gender sensitivity but give equally priority to poverty alleviation and social schemes. In this limited framework gender specific schemes are also very limited. To name a few of them: i) Mahila Samkhya; ii) Swavlambhan; iii) Swayamsiddha; iv) Swasakthi. Many schemes have also been dropped such as Mahila Samridhi Yojna, which was designed as a social support scheme. The issues that need to be addressed are

- Whether new schemes should be introduced and what should be the type of schemes to be introduced; or
- Whether the existing schemes be made more effective; or
- Widen the scope of existing mainstream schemes to concentrate on women and children.

Given the magnitude of the problem perhaps all are required. In this note we shall only attempt to identify areas where either specific schemes should be introduced for women and where existing mainstream schemes can be made more gender oriented.

It is significant to point out that while data relating to budget expenditure is well documented the evidence on utilization of funds is very limited. Stray evidence with regard to funds for rural development schemes allocated to Panchayat reveals that funds are more often returned back. This may be the track record for other categories of expenditure also. It is important that an audit of fund utilization should be initiated.

### ***Framework of Analysis***

At the outset it is important to distinguish between women in rural areas and women in urban areas. Problems of urban women are very different from those of rural areas. In fact, in certain situations the lack of social security and social capital of the rural areas tend to make women much more vulnerable to exploitation in the urban areas. Operationalization of projects is sometimes easier in rural areas defined by the geographical boundaries of a Panchayat system. This distinction is necessary because successful implementation of any scheme hinges on two conditions viz. a) accountability; b) provision of security / surety. The type of accountability that can be provided say by a Panchayat may not exist for urban areas. Similarly the provision of surety becomes important while considering insurance and pension schemes.

Projects, which are oriented towards rural areas often, have no relevance for urban women. It may therefore be necessary to divide each scheme into urban component and a rural component. Accordingly the method of ensuring accountability and providing of surety will differ.

Keeping these considerations in mind we take up the three areas for suggesting reforms for making them gender sensitive. The areas are drinking water; pension scheme and insurance which in my opinion are critical for the well being of not only women but of all.

## **1. Drinking Water**

Clean drinking water is a problem essentially of the rural areas. The Swajaldhara Programme launched in 2002 is closely linked with the Panchayat Raj Institution. The important part of this scheme is that it will be implemented, maintained and owned by the Community. At present 67 pilot districts have been selected for the programme. The scheme by insisting on 10% contribution by the community – community equity, ensures the participation of the community.

To make this scheme gender sensitive the following clauses could be incorporated in the scheme:

- Applicable only to Panchayat where full women representation is provided;
- Applicable where concerted efforts are on to increase the level of female literacy;
- Rollover of funds only if the above criteria are met.

The impact of these clauses is that the scheme becomes gender sensitive and ensures accountability.

## **2. Pension Funds**

A crying need is for a general pension fund, which is backed by government guarantee. Where pension schemes are concerned the major issue is of surety of the pensioner. At present the schemes for widow, which are operational in many states, need to be extended. The process of ensuring surety is to provide an attested copy of a certificate as proof of life and can at times be bureaucratic. This scheme is a social security scheme and there is no contribution by the beneficiary.

It is equally necessary and important is to design a pension scheme which is contributory where all women can contribute a small premium every day. This is important because a woman's savings are invariably eaten away by the male members and at old age left to fend for themselves. A pension funds needs to be distinguished from a social security fund. A common concern of working women is whether in the old age they will have a little kitty to rely on. Even for women who are not employed in the market wage-labour sense if a pension scheme exists it is possible that small savings from the family budget may be quietly deposited. This can be observed in the way chit fund schemes are very popular especially in the urban areas both among working and non-working women.

The major issues here are how to a) ensure continuity of the premium i.e. the minimum surety required by the organization operating the fund as more often the jobs are temporary and in the unorganized or household sector; b) to make sure the funds are not diverted to risky investments; and c) easily accessible that is the transaction costs including keeping if private from the make members of the family is essential.

Pension Fund Schemes are easier to operate if there are institutionalized for example through self help groups. These self-help groups such as DWCRA or SEWA would need to be set up. These institutions however may not be of relevance to a large portion of the work force that work in households, construction sites etc where there is no association or organized groups or for women who

do not seek market place employment. For such groups the use of ration cards for providing pension can be considered. The ration card acts as a passbook and for the quota of cereal purchase a one per could be deducted into a pension fund. The Government can match the contribution. In rural areas an alternative to the ration card is the use of the Panchayat itself as a deposit centre.

### **3. Health Insurance**

Health insurance is similar to pension fund and the same set of associate problems are applicable here. The present Insurance Scheme introduced by the group with groups of 35 getting together as in the case of self help groups is limiting. The ration card related concept could be applied here also.

Since for most of the schemes it is necessary to have a nodal agency, which has the dual role of providing a facility to the consumer and of surety to the guarantor namely the government 'women banks' need to be set up all over the country to which the Government may provide seed money by way of a line of credit. The key factors should be

- Participatory involvement which perhaps is easier in the rural areas;
- Basic contribution from the beneficiaries

#### *Conclusions*

This short note attempts to focus on making gender-neutral schemes gender sensitive. The emphasis is on the design of schemes wherein the important considerations are those of accountability and provision of security/surety. It is equally necessary to design schemes separately for rural and urban women.

**A NATIONAL CONSULTATION ON  
 “THE BUDGET: A GENDER AND POVERTY SENSITIVE PERSPECTIVE”  
 22<sup>ND</sup> DECEMBER, 2003, HOTEL ASHOK, NEW DELHI**

|  |  |   |
|--|--|---|
| <p>Inaugural Session<br/>1000-1130 hrs</p> | <p>Welcome</p> <p>Opening Remarks</p> <p>Budget : <i>A Perspective</i><br/>Presentation of Background<br/>Paper : <i>The Budget:<br/>A Gender and Poverty<br/>Sensitive Perspective</i></p> <p>Vote of thanks</p>  | <p>Ms. Nirmala Sitharaman, Member, NCW</p> <p>Dr. Poornima Advani, Chairperson, NCW<br/>Smt. Chandni Joshi, UNIFEM</p> <p>Prof. Aasha Kapur Mehta,<br/>Indian Institute of Public Administration</p> <p><i>Expert inputs</i></p> <p>Krishna Bhatnagar<br/>Jairam Ramesh<br/>A.V.S. Reddy</p> <p>Ms. Baby Rani Maurya, Member, NCW</p> |
| <p>1130-1200</p>                           | <p>Tea</p>   |   |
| <p>1200-1300</p>                           | <p>Session I : Key Priorities</p> <p>Focus on:</p> <ul style="list-style-type: none"> <li>● Areas and their impact on empowering women</li> <li>● Evaluating existing schemes and their effectiveness</li> <li>● Restrategising on these priorities</li> </ul> | <p>Chair Dr. Sudha Malaiya, Member, NCW</p> <p><i>Expert inputs</i></p> <p>Jayoti Ghosh<br/>Bharat Jhunjunwala<br/>Ratna Sudarshan<br/>Sarla Gopalan</p> <p><i>Followed by Open discussion</i></p>  |
| <p>1330-1415</p>                           | <p>Lunch</p>   |   |

|           |  |  |
|-----------|--|--|
| 1415-1545 | <p>Session II: Budget Allocation</p> <p>To focus on:</p> <ul style="list-style-type: none"> <li>- Re-pooling of under/unutilized Resources</li> <li>- Channeling to priorities</li> <li>- Evolving Strategies for Actual financial devolution of powers</li> </ul> | <p>Chair: Ms. Sunila Basant, Member Secretary, NCW</p> <p><i>Expert input:</i></p> <p>Ashwini Mahajan<br/>Dr. Susheela Kaushik<br/>R.C. Tripathi</p> <p><i>Followed by open discussion</i></p> |
| 1545-1600 | Tea  |  |
| 1600-1700 | <p>Session III:</p> <p>Recommendations for Budget 2004-05</p>  | <p>Chair Pam Rajput<br/>Co-chair Ms. Nafisa Hussain, Member, NCW</p> <p><b><i>Open discussion</i></b></p>  |

## LIST OF SELECTED PARTICIPANTS

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29. Ms. Rekha Gupta,  
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Mahila Udhayami Sanghthan,  
NOIDA (U.P.)

# **GENDER BUDGETING**

**Proceedings, Outcome and Follow-up**

**of**

**The National Consultation**

**Held at Delhi**

**on**

**22 December, 2003**



**NATIONAL COMMISSION FOR WOMEN**

**4, Deen Dayal Upadhyaya Marg  
New Delhi-110002**

## **INDEX**

| Chapter<br>No. | Contents  | Page<br>No. |
|----------------|---|-------------|
|                | Foreword  | (i)         |
|                | Preface   | (iii)       |
| 1.             | Budget 2004 - The NCW Memorandum for the Union Finance Minister ...<br>Presented to the Finance Minister on 21.6.2004 | 1           |
| 2.             | Women, Budgets and the National Accounts – Nirmala Sitharaman   | 7           |
| 3.             | National Consultation on Gender Budgeting   |             |
|                | Summary of the Proceedings & Recommendations  | 13          |
|                | Papers presented at the National Consultation   |             |
|                | Aasha K. Mehta, Samik Chowdhury & Subhamoy Baishya  | 25          |
|                | Devaki Jain   | 95          |
|                | Gurumurthy  | 99          |
|                | Geetha Gouri  | 103         |
| 4.             | Agenda for the National Consultation  | 109         |
| 5.             | List of selected participants   | 111         |

## FOREWORD

One of the functions of the National Commission for Women (NCW) is to participate and advise on the planning process of socio-economic development of women. As part of its programme of economic empowerment of women, the Commission has taken on board the issue of gender budgeting.

The budget is not just an annual statement of receipts and expenditure. It is an instrument for fulfilling the obligations of the State and a political statement of priorities set by the Government in allocating the resources which are mobilized. The term "Gender Budgeting" does not connote separate budgets for women or for men. The purpose is to monitor expenditure, public service delivery and taxation from a gender perspective since revenue and expenditure policies have different outcomes for men and women.

In the above background, a study was commissioned by the NCW and the task was entrusted to Prof. Aasha Kapur Mehta who prepared a report on the study – "The Budget: A Gender and Poverty Sensitive Perspective". The Commission organized a National Consultation on Gender Budgeting on 22.12.2003 at Delhi. The papers presented by Dr. Devaki Jain, Sh. S. Gurumurthy and Smt. Geetha Gouri as also the speeches of participants, notably Sh. Jairam Ramesh, Smt. Krishna Bhatnagar, Ms. Firoza Mehrotra, Dr. Jayati Ghosh, Sh. Bharat Jhunjunwala Dr. Ratna Sudarsan, Dr. Sarla Gopalan, Shri Ashwini Mahajan, Dr. Susheela Kaushik, Sh. R.C. Tripathi, Dr. Susheela Somaraju, Ms. Pam Rajput and Sh. A.V.S. Reddy, Secretary, Ministry of Tribal Affairs provided useful insights into the subject and valuable suggestions which would be of help in mainstreaming the concerns of women in the budget making process. The Commission is grateful to them for their valuable contributions.

Smt. Nirmala Sitharaman, Member of the Commission, took the initiative to prepare this Report on Gender Budgeting. The Member also drafted the NCW Memorandum for the Union Finance Minister on Budget 2004. This Memorandum forms part of this Report which was presented to the Finance Minister by the Commission on 21.6.2004.

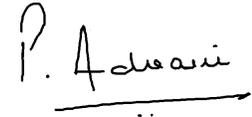
I take this opportunity to express the appreciation of the Commission to Prof. Aasha Kapur Mehta for the Study and to Smt. Nirmala Sitharaman, Member of the Commission, for



undertaking the stupendous task of preparation of the Report and formulating the NCW Memorandum to the Union Minister of Finance on Budget 2004. But for the initiative and pains taken by the Member, Smt. Nirmala Sitharaman, the Commission would not have been able to formulate its demands and present them to the Finance Minister in time.

Place : New Delhi

Date : 7.11.2004

A handwritten signature in black ink, appearing to read 'P. Advani', written in a cursive style. The signature is positioned above a horizontal line that ends in an arrowhead pointing to the right.

**(POORNIMA ADVANI)**

## **PREFACE**

Women constitute about half of the population of the country. They play a vital role in the political, economic and social spheres of the country. However, in our society, as compared to men, women are at a disadvantage in the context of access to resources and enjoyment of rights and freedom. The National Commission for Women considers economic empowerment of women a thrust area aiming at overall development of women. The Commission was seized of the issue of building the capacity for inclusion of gender perspective in the concerned ministries and the conceptual alterations in the resource allocation mechanisms. The Commission was of the view that gender analysis of policy framework deserved serious attention.

On behalf of the National Commission for Women, a study report "The Project: A Gender and Poverty Sensitive Perspective" was prepared by Dr. Aasha Kapur Mehta of the Indian Institute of Public Administration, by analyzing and assimilating the prevalent studies on the subject of Gender Budgeting. This study report was discussed in the meeting of the Expert Committee on Economic Empowerment held on 3.12.2003. It was felt that budgetary focus should be on the disadvantaged and deprived sections of women, that is, women who are excluded, women who suffer double discrimination, i.e. poverty as well as caste.

A National Consultation on Gender Budgeting was held by the Commission on 22.12.2003 at Delhi. The study report of Dr. Aasha Kapur Mehta served as a background material for discussion in the Consultation. In the Consultation, various experts – both from government and non-government sectors – participated in the deliberations and papers were presented. Several recommendations presented in this book emerged from this Consultation.

This report has been prepared in the wake of deliberations in the National Consultation. The study report of Dr. Aasha Kapur Mehta rightly forms part of this report as also the 'Budget 2004 – The NCW Memorandum for the Union Finance Minister'. The memorandum focused on:

- (a) Formal recognition to women's contribution in national income accounting.
- (b) Gender audit of all budget proposals, revenue and expenditure, and

- (c) Adequate allocation of resources in areas critical to women's development and empowerment.

The National Consultation on Gender Budgeting and this report which has been prepared in the wake of the Consultation are attempts to carry women's voice with a view to mainstreaming their issues in the Budget. It is the Commission's fervent hope that this report will be given due consideration by the government.

Discussions held with many helped the preparation of this report. I am grateful to Dr. Ashok Lahiri, Chief Economic Adviser, Ministry of Finance; Dr. (Smt.) Rohini Nayyar and Sh. G.B. Panda, Advisers, Planning Commission; Dr. Preeti Madan, Additional Economic Adviser, Deptt. of Economic Affairs, Ministry of Finance; Mr. M.J. Joseph, Joint Controller General of Accounts, Ministry of Finance, Deptt. of Expenditure; Dr. Indira Rajaraman, National Institute of Public Finance & Policy, New Delhi; and Dr. Lekha Chakraborty of NIPFP, for their time and views.

  
**NIRMALA SITHARAMAN**