

WORKING PAPER

Transition from MDGs to SDGs: Addressing Gender Inequality through ensuring Fiscal Justice for Women



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Along with the global community, with some unfinished agenda of the Millennium Development Goals (MDGs), India has adopted the Sustainable Development Goals (SDGs) envisioning a holistic development by 2030. Among others goals, removing all forms of gender inequalities is one of the important goals and the key strategy to achieve it, as recommended in the SDGs document, is ensuring fiscal justice for women. Some affirmative policies in favour of women, in the domain of fiscal policies, are already in place in India. To achieve the SDG targets in the timeframe, these policies must be strengthened at national, sub-national as well as at the local levels. One of the key requirements, for a periodic monitoring of the progress, is producing gender segregated data at all levels.

Women have come a long way in achieving gender equality and empowerment since the Millennium Development Goals (MDGs) were envisioned and implemented globally. MDGs was the world's first global agenda designed to propel human development forward on multiple fronts. It must be noted that within the broader purview of MDGs, interventions were also made across countries in achieving several women specific development goals. Resultantly, along with many development goals, there has been a marked improvement in several women development goals as well. At the terminal year of MDGs, women worldwide made up 41 percent of paid workers outside the agricultural sector, which was an increase from 35 percent in 1990. Between 1991 and 2015, the proportion of women in vulnerable employment as a share of total female employment has declined by 13 percentage points. In contrast, vulnerable employment among men fell by 9 percentage points.

Gender parity improved substantially as about two-thirds of developing countries have achieved gender parity in primary education and overall the gender gaps in education declined substantially. During 1990 to 2015, in 90 percent of the 174 countries, the average proportion of women in parliament has nearly doubled. The share of births assisted by skilled health personnel, which had very positive impact in reducing maternal mortality, jumped from 59 percent in 1990 to 71 percent in 2014. Since 1990, the maternal mortality ratio has declined by 45 percent worldwide, and most of the reduction has occurred since 2000.

Despite these significant achievements on many of the MDG targets worldwide, progress has been uneven across regions and countries, leaving significant gaps. As far as the women specific targets are concerned, many facets

of disparities between men and women do exist. This gender inequality is evident in the asymmetric levels of socio-economic development of men and women. An assessment done by the UN, in 2015, shows women are more likely than men to live in the poorest households in 41 countries out of 75.¹ Women are still more likely than men to be in vulnerable employment, despite a decreasing trend of people in vulnerable employment. Further, it is evident that globally, gender gaps in pay persist in all regions and women earn 24 percent less than men. Despite the fact that women have gained ground in parliamentary representation, still only one in five members are women. The world was far from meeting the MDG targets to reduce maternal deaths. The global maternal mortality ratio has fallen by nearly half whereas the reduction target set in the MDGs was two-thirds.¹ It is well documented that amidst the success stories, a large number of poorest and disadvantaged people are still being left behind, and a large section of them are women. So, to reach out to this group of vulnerable population, some targeted interventions are imperative.

Keeping these developments in mind, a renewed emphasis has been given in the post 2015 global development agenda, known as the Sustainable Development Goals (SDGs), to remove all forms of gender inequalities.² This is the prerequisite to achieving gender equality and women's empowerment, which, in turn, could ensure the basic human rights to the women as well. Among the various policy interventions for achieving gender equality and women's empowerment, one of the effective approach is ensuring the 'fiscal justice for women.' The SDG Goal 10 rightly prescribes for adopting appropriate fiscal policies, among other measures, to progressively achieve greater

equalities. It should also be noted that empowering women and promoting gender equality is crucial for accelerating sustainable development.

Like the global scenario, success of MDGs is also mixed in India. Out of total 8 goals, as stated in a report of the Economic and Social Commission for Asia and the Pacific (UNESCAP), India achieved only 4 goals³ and miserably failed to achieve some gender specific indicators. In education, India achieved the gender parity targets. But, India could not even reach the half way mark to increase the share of women in wage employment to 50 percent. In 2015, only 23 percent of women were in wage employment (non-agricultural). Women's representation in the Parliament was a little above 12 percent. In 2015, the maternal mortality ratio was 140 (per 1,00,000 live births), whereas the target of reducing maternal mortality ratio was 109. So, it is evident that India has lagged behind in several targets set by the MDGs. Further, India has already committed to achieving the SDGs. So, to complete the unfinished agenda of MDGs and to accomplish the targets of the SDGs, including removal of all forms of gender inequality, India must adopt appropriate fiscal policies, among other measures.

IMPORTANCE OF FISCAL JUSTICE FOR ADVANCING GENDER EQUALITY:

Fiscal policy comprises of the whole gamut of public policies related to expenditure and taxation. Ideally, any public policy should be gender neutral.⁴ But, given the fact that various forms of discrimination including gender based challenges that women are facing everywhere, it is imprudent to draft completely gender neutral public policies. In fact, some forms of 'positive discriminations' towards women, could be the most effective policy tool to address various challenges that women are facing. Generally, 'fiscal justice' advocates for a fiscal system which is fair and progressively mobilises greater revenue for increased and improved spending for quality public services for all. Similarly, Oxfam's global campaign for 'fiscal justice for Women' advocates for a fiscal system, which is fair, progressively mobilises greater revenue, and increases and improves spending for quality public services for women and girls and also urges for fiscal policy to be more gender responsive. Moving towards a regime of gender responsive fiscal policy, as global evidence suggests, policy interventions could be made by the government through both expenditure side and revenue mobilisation side. In addition to these types of direct policy interventions, an institutionalised set up, where women have the space, voice and agency to exercise their rights in order to monitor and influence fiscal systems could be helpful for mainstreaming gender issues. This platform could play a complementary role and work as a

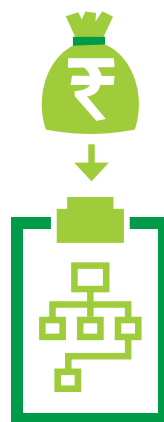
RECOMMENDATIONS



GENDER BUDGETING SHOULD BE STRENGTHENED AT THE NATIONAL LEVEL BY ADDRESSING THE LIMITATIONS OF ITS PRESENT FORM AND THIS PRACTICE MUST BE EXTENDED TO ALL STATES.



GENDER BUDGETING CELLS MUST BE STRENGTHENED WITH MORE HUMAN RESOURCES, SO THAT, IT COULD REACH OUT TO MORE DEPARTMENTS AND STATES FOR THEIR CAPACITY BUILDING, AND TO GUIDE THEM TO IMPLEMENT GENDER BUDGETING.



FOR TAKING INTO ACCOUNT THE SPECIFIC NEEDS OF WOMEN, A BOTTOM UP APPROACH OF PLANNING OF GENDER BUDGETING MUST BE ADOPTED. AS PER THE RECOMMENDATIONS OF THE FOURTEENTH FINANCE COMMISSION, A HUGE AMOUNT OF RESOURCES ARE NOW BEING TRANSFERRED TO THE LOCAL AUTHORITIES. MWCD AND THE STATE GOVERNMENTS SHOULD GIVE PROPER INSTRUCTION AND GUIDANCE TO THE LOCAL AUTHORITIES FOR PREPARING GENDER RESPONSIVE BUDGETING AT THE LOCAL LEVEL.



GIVEN THE PRESENT SITUATION OF GENDER INEQUALITY, THE AFFIRMATIVE POLICY LIKE HIGHER TAX EXEMPTION LIMIT FOR WOMEN MUST BE BROUGHT BACK AND OTHER POLICIES LIKE STAMP DUTY EXEMPTION/ REBATE FOR WOMEN SHOULD BE CONTINUED. THE GST RATES FOR DIFFERENT COMMODITIES MUST BE SCRUTINISED CAREFULLY FROM THE PERSPECTIVE OF GENDER AND POVERTY. OTHERWISE, LIKE THE VAT, THE GST REGIME MAY ALSO END UP WITH THE UNFAIR BURDEN OF TAXES ON WOMEN AND POOR HOUSEHOLDS.



ALL SORTS OF GENDER SEGREGATED DATA FOR VARIOUS PROGRAMMES/SCHEMES AND SOCIO-ECONOMIC INDICATORS MUST BE GENERATED FOR PERIODIC MONITORING AND EVALUATION OF SDGs, SO THAT, NO ONE IS LEFT BEHIND.

catalyst to achieve gender equality through fiscal justice route. However, in this policy paper, the discussions will be limited mostly around the gender responsive expenditure and taxation policies.

It is a fact that any policy intervention and activity⁵ of the government has some financial implications and all these are comprehensively reflected in the budget documents. Therefore, for mainstreaming gender issues and moving towards a gender responsive policy reforms and to apply a gender lens to the entire policy process, scrutinizing government budget could be an entry point. This, in turn, points towards adopting a 'gender budgeting' exercise. Gender Budgeting is a tool for improving the government budget process to rectify gender based inequalities. It must be noted in this context that gender budgeting refers to a method of looking at the budget formulation process, budgetary policies and budget outlays from the gender lens. "Gender Budget, with regard to the Government at any level, does not refer to a separate budget for women; rather it is an analytical tool which scrutinizes the government budget to reveal its gender-differentiated impact."⁶ So, it is basically an "impact analysis of government programmes and its budgetary allocations on the overall socio-economic status of women in the country. The ultimate aim of gender analysis of national budgets is to incorporate gender variables into the models on which planning and budgeting is based."⁷

For assessing the status of 'fiscal justice for women', apart from getting into the gender budgeting from the expenditure side, it would equally be worth scrutinizing the issues related to gender implications of taxation from the revenue side as well.

GENDER BUDGETING IN INDIA: EVOLUTION AND THE PRESENT STATUS

Before going into details of gender budgeting in India, it is worth noting that Australia is considered as the first country to develop the concept of a "women's" budget and instituted it in 1984 with the objective of addressing inequalities between women and men. Initially this gender budgeting exercise was undertaken at the federal level and later, it was exercised in each of Australia's territories and states as well. But, the success of this exercise was not uniform across the states.⁸ However, following Australia, several countries started to adopt the practice of gender budgeting. But, it has gained prominence only in recent years, and was given additional impetus by the Fourth World Conference on Women, held in Beijing in 1995, which called for ensuring the integration of a gender perspective in budgetary policies and programmes.⁹ Presently, the number of countries having adopted gender budgeting would be around 100.

Although India formally adopted gender budgeting in 2005-06, the attention on analysing public expenditure in India from the gender perspective is typically traced back to 1974, when the Report of the Committee on the Status of Women (titled 'Towards Equality')¹⁰ was brought out by the Government of India. The report articulated that India failed to integrate women to the overall development trajectory of the country and even the existing policies were creating new imbalances and disparities against women.⁶ However, the discourse created by the report at that time led to a gender inclusive development planning, and subsequently, some policy measures were reflected in the Fifth Five Year Plan¹¹ (1974-78) to advance women's socio-economic status. However, the noticeable policy changes were made in the Seventh Five Year Plan (1985-90), when 27 major women-specific schemes were identified for monitoring to assess the quantum of funds/benefits flowing to women. Since 1986, the Department of Women and Child Development (DWCD) was entrusted the responsibility of monitoring 27 beneficiary oriented schemes under various sectors which directly benefited women. However, policy changes were observed in the Ninth Five Year Plan (1997-2002), with the initiation of the Women's Component Plan (WCP), which was basically a mechanism for identifying and monitoring schemes that extended benefits directly to women. From this plan period, under the WCP, both Central as well as State Governments were required to earmark a clear, unconditional minimum quantum of funds/benefits, not less than 30 percent, for women in the schemes run by all Ministries/Departments that were perceived to be "women related."

As far as the implementation of WCP is concerned, the trend was quite disturbing. The Planning Commission Report¹² (2001), reveals that although some departments had quantified the WCP component of their schemes, some departments had declared that their schemes were gender neutral. The total plan allocations from the 16 women specific departments, including DWCD, to WCP was INR 51942.5 crore. This amount constituted 25.5 percent of the Gross Budgetary Support (GBS) of the Central Government for the entire Ninth Five Year Plan (1997-2002).¹³ Some departments showed very high expenditure under WCP. For instance, Department of Family Welfare showed their expenditure figure as high as 70 percent. Expenditure reported under WCP around 50 percent from each of the Departments of Health and Department of Indian Systems of Medicine & Homeopathy. The methodology through which these figures were obtained has not been put in the public domain.⁶ These exceptionally high figures of spending under WCP itself raises the question about the authenticity of data or the methodology. Irrespective of these anomalies and the poor implementation of WCP during 1997-2002, the Planning Commission Report recommended for continuing the WCP considering its immense importance. In addition, the

Tenth Five Year Plan (2002-07) marked another significant step forward towards gender development as it envisaged actions in tying up the two effective concepts of WCP and gender budgeting to play a complementary role to each other.¹⁴ This move was a big step in the right direction as focusing solely on a specific share for women in the budget allocations without any effort to redesign the programmes or schemes for addressing specific gender based challenges is also unlikely to be effective. This was the main problem of WCP. The implementation of the strategy of WCP was sluggish in the State Governments. It was almost non-existent in the Union Ministries.¹⁵

In the meantime, the Economic Survey for 2000-01 also highlighted the grim situation of gender equality in India and in the same year, India came up with the National Policy for the Empowerment of Women (NPEW), 2001. The NPEW recommended for an “assessment of benefits flowing to women and resource allocation to the programmes relating to them through an exercise of gender budgeting”¹⁶ from all the concerned departments. The DWCD also took the leading role for initiating gender budgeting at the level of Central Government. A gender budgeting study was commissioned to the National Institute of Public Finance & Policy (NIPFP). The DWCD adopted the recommendations of NIPFP regarding gender budgeting.¹⁷

In 2004, the Ministry of Finance came up with the Expert Group Report¹⁸, which “unanimously is of the opinion that there is a need to explicitly depict women-centric allocations in the budget documents.” For preparing the roadmap for gender budgeting, a sub-group with representation from the office of the Controller General of Accounts (CGA) and NIPFP was constituted to study the subject and suggest a framework for introduction of gender budgeting in the Government. Regarding the gender budgeting framework, the Expert Group’s recommendations were mostly in line with the sub-group. The group recommended that all programmes/schemes of the Government to be classified into three broad categories:

- a) Women-centric programmes/schemes with 100 percent pro-women allocation;
- b) Schemes/programmes that have a significant (over 30 percent) allocation for women; and
- c) Schemes/programmes that cannot have gender sensitive elements.

Apart from the aforesaid classification and earmarking allocation for women, the Expert Group recommended to expand the coverage of women beneficiaries under the public expenditure by introducing exclusively women specific programmes or changing operational guidelines of various existing development programmes. Further, the Expert Group also envisioned for active participation of village women to assume responsibility for all development

schemes related to drinking water, sanitation, primary education, health and nutrition. Among others, another key recommendation was to conduct beneficiary incidence analysis of women specific public expenditures.

Based on the aforesaid expenditure classifications, gender budgeting was officially adopted by the Government of India in 2005-06. Since then, Government of India started to publish a separate “statement on gender budgeting” (in the Expenditure Budget Vol. I, Union Budget¹⁹), where all the women specific schemes and corresponding expenditures were listed. The introduction of gender budgeting is undoubtedly a commendable step; and the gender budget statements (GB statement henceforth) of the Central and State Governments have been the only source of verifiable, quantitative information on government’s efforts in this domain over the decades. Taking the allocation figure shown in the gender budget statement, women’s rights activists and other stakeholders have been able to make a stronger case for stepping up budget allocations for women and girl children in government programmes and schemes. The Statement has also compelled the officials, in some of the Ministries, to begin thinking about making their programmes and schemes more gender responsive.

This GB statement²⁰ has adopted two-way classification of all gender-related budgetary allocations. The first Part, that is, Part A comprises of all the programmes where the beneficiaries are exclusively women. The Part B encompasses all the programmes, where the allocations for women are between 30 to 99 percent. In the 2005-06 budget, a total of 10 demands²¹ under 9 departments/ministries showed gender specific schemes and allocations, and the total magnitude of gender budget was INR 24,241 crore²² (RE), which was 4.8 percent of the total union budget (see Table 1), and it reached at the peak level of 5.8 percent in 2011-12. In between 2011-12 to 2018-19, the total allocations for women specific schemes has declined and in 2018-19 (BE), the total magnitude of gender budget is INR 1,21,961 crore, which is 5.2 percent of the total union budget.

Within a couple of years of adopting gender budgeting, the number of demands from various departments/ministries, which were showing women specific schemes and expenditures became more than double and reached at 27 in 2006-07. In the latest budget, that is, of the financial year 2018-19, a total of 33 departments/ministries and 5 union territories are showing women specific programmes and schemes and corresponding allocations/expenditures.

Prior to the adoption of gender budgeting, the Finance Minister in his budget speech in 2004-05, highlighted the need for budget data to be presented in a manner that brought out the gender sensitivity of budgetary allocations and accordingly, gender budgeting was adopted from the next financial year. With the objectives

TABLE 1: ALLOCATIONS QUANTIFIED IN THE GENDER BUDGET STATEMENT IN INDIA SINCE 2005-06

	2005-06 (RE)	2007-08 (RE)	2011-12 (RE)	2017-18 (RE)	2018-19 (BE)
NO. OF DEMANDS FROM DEPARTMENTS/ MINISTRIES SHOWING GENDER SPECIFIC ALLOCATIONS	10	33	34	33	33
TOTAL WOMEN SPECIFIC ALLOCATIONS (INR CRORE)	24241	22348	78251	117221	121961
TOTAL WOMEN SPECIFIC ALLOCATIONS AS % OF TOTAL UNION BUDGET	4.8	3.3	5.8	5.4	5.2

Source: Union Budget, Govt. of India, various years. Note: RE: Revised Estimates & BE: Budget Estimates. RE reflects the progress of actual expenditure during the course of the year while BE are budgeted figures presented before the start of the financial year. Some data has been reproduced from the Response to Union Budget 2014-15, CBGA.

of influencing and effecting 'changes' in the respective ministry's policies and programmes, gender budgeting cells (GBCs) were set up with effect from 8 March 2007 in various ministries.²³ The objectives of this changes were to tackle gender imbalances and promote gender equality and also to ensure that public resources through the ministry's budget are allocated and managed accordingly. At the initial stage of implementation of gender budgeting in India, the DWCD took the leading role and conducted many workshops on gender budgeting at the national and state levels and also pushed for operationalising GBCs in the central government ministries/departments. Marked changes were also visible within a very short span of time. Within a couple of years, GBCs were set up in 40 central ministries and the number has increased over the years. In 2015, total 57 ministries/departments had set up GBCs for more proactive initiatives towards gender mainstreaming of their policies, programmes and budgets.

In India, the Ministry of Finance played an instrumental role in institutionalizing the 'Gender Budgeting' process in Union Ministries/Departments. The process has been aptly supported by the Ministry of Women and Child Development (MWCD/earlier DWCD) as the nodal agency. The MWCD undertook many women specific programmes, conducted training/workshops, one to one interactions/discussions, and provided financial support to Union/State Government agencies for strengthening and mainstreaming the process of gender budgeting. Over the years, there has been significant progress in India. Even, for the last few years, Ministry of Finance has institutionalised the pre-budget consultation aimed at ensuring that the voices of women are also heard in the budget making process.²³ MWCD also collaborated with gender neutral ministries²⁵ and engaged with building capacity of the key personnel for engendering their schemes and programmes for better planning and resource prioritization.

GENDER BUDGETING AT THE SUB-NATIONAL/ STATE LEVEL:

Following the Central Government, since 2005-06, many state governments have also adopted gender budgeting to complement this affirmative policy initiative. States like Odisha, had adopted gender budgeting as early as in the financial year of 2004-05, that is, one year prior to the Central Government. It is also a very positive sign that presently, around 20 state governments have adopted gender budgeting out of total 29 states.²⁴ In addition, two union territories have also adopted this practice for mainstreaming gender issues. The involvement of the states is more encouraging as, in a federal system like India, the programmes are ultimately implemented in the state level and their involvement in this process could act as a catalyst to address various gender gaps. However, it is imperative that rest of the states²³ must do the same exercise of gender budgeting to move towards a common goal of 'gender equality' in the country.

CHALLENGES/LIMITATIONS IN GENDER BUDGETING IN INDIA: REQUIRED POLICY MEASURES

Despite all the efforts around gender budgeting and several positive developments, still there are still many challenges in gender budgeting in India. It was articulated in a research report¹⁵ that "the approach towards gender budgeting, in many of the Union Ministries and some of the States that have adopted this strategy, has not changed from what it was under WCP."¹⁵ However, despite some remarkable progress in implementing gender budgeting in India, the present key challenges are inadequate information in the GB statement, weaknesses in gender budgeting cells, lack of capacity building, lack of regular monitoring, limited enforcement and accountability and limited effective participation of women in field level planning and implementation and lack of political will.

- The key document of gender budgeting, i.e., the **GB statement** was full of methodological flaws and misconceptions in the initial few years of gender budgeting. Due to vociferous advocacy of feminist economists and other experts, it has been rectified. But, still there are a lot of issues around this. In the GB statement departments/ministries show the amount of resources earmarked for women in various programmes/schemes. But, except for few, most of the departments/ministries have no clear policy guidelines for earmarking certain minimum proportion of allocations for women. Presently, the departments/ministries do not require to give any explanatory note/information on the assumptions that they might have made in reporting the specific shares/proportions of budget allocations for their schemes. For greater accountability, and in turn, to make gender budgeting more effective, this information must be put in the public domain.

In the present format, the GB Statement reports only budget estimates (of allocations meant for women and girl children) for the ensuing fiscal year and revised estimates for the ongoing fiscal year. But, it does not provide information on actual expenditure figures for the previous fiscal year. Presently, departments/ministries are providing actual expenditure figures in their individual demands. But, these actual expenditure figures are not reported in the GB statement. So, it is not possible to accurately assess from the GB statement whether an allocation announced in a financial year is ultimately realised.

The objective of gender budgeting could be fulfilled most effectively, only if, the specific gender-based challenges confronted by women and girls are taken into account in designing any programme/scheme. Otherwise gender budgeting could end up as merely a routine exercise of earmarking allocation for women. This must be taken into account in preparing the GB statement. Roughly, only one third of departments/ministries are showing gender specific allocations in the GB statement. The sectors where the concerned department/ministries are unable to segregate individual beneficiaries, it is imperative to formulate new schemes/interventions focusing on women for expanding the horizon of gender budgeting.

- The setting up of GBCs was mandated by the Ministry of Finance and the GBCs are the specific unit for managing all kinds of issues related to gender budgeting. Although, 57 departments/ministries have already set up GBCs, these GBCs are not functioning properly and very few departments/ministries have been providing information regarding the functioning of GBCs in public domain.¹⁵ The impediment that most GBCs are facing is the shortage of required time and human resources for holding meetings and taking up activities properly. Accountability mechanism is also absent in functioning of GBCs. Unless, these problems

are addressed, the gender budgeting could not be done properly. It would be quite encouraging that GBCs of 3 ministries, namely, Agriculture, Science and Technology, and Telecommunications are performing better and also doing things creatively.¹⁵

- Capacity building of the designated officials of the GBCs is crucial for designing the programmes/schemes for addressing women specific problems and doing gender responsive budgeting. The MWCD, over the years, has conducted a large number of training/capacity building workshops, prepared training manuals and handbook on gender budgeting. The efforts of MWCD is praiseworthy. But, the shortage of required time and human resources has constrained them to reach out to everybody.

Despite some lacuna, overall, the initiatives of the government to adopt gender budgeting policy and to institutionalise it is praiseworthy. Apart from many central government ministries, gender budgeting has also been extended to many states as well. Some states, say for Kerala, are doing well in implementing the gender budgeting policies. For advancing gender budgeting further, firstly, the practice should be adopted by more departments/ministries and the states, who have not yet adopted gender budgeting. Secondly, the aforesaid limitation of gender budgeting must be addressed both at the Central as well as at the State level. Proper benefit incidence analysis should be done periodically to assess whether gender budgeting actually improves the development status of the women in the country at all. In every tier of the government, associated with gender budgeting, proper monitoring and accountability mechanism should be put in place to enhance the effectivity of gender budgeting. For monitoring purposes, gender segregated data should be generated across the sectors on various development indicators relating to women. Most importantly, a bottom up approach of engaging women from the grassroots level²⁶ is the prerequisite for addressing the actual problems that they are facing. It was also endorsed by the Expert Group constituted to review the Classification System for Government Transactions (2004), set up by the Ministry of Finance. At present, in the regime of changing Center-State fiscal relations, after the Fourteenth Finance Commission (FFC) recommendations, ample scope has been created in this regard.

It should be noted that there has been a drastic change in the devolution of funds to the States as well as to the Rural and Urban Local bodies as per the recommendation of FFC (for the period 2015 to 2020). It is also expected that this higher flow of funds to the local bodies will be continued. Grants for the rural and urban local bodies has been increased to INR 2.87 lakh crore (INR 2.87 trillion). It is more than INR 2 lakh crore (INR 2 trillion) compared to the previous 5 year period of 2010 to 2015. The local administration has more freedom to utilise the funds. In India, as per the last Census 2011, around 70 percent

people are living in rural areas and also most of the poor and marginalised people are concentrated in rural areas. Therefore, if these local funds are utilised keeping in mind the specific needs of women, its impacts on women could be immense. Engaging women in a participatory budgeting process for utilising these funds can make a huge difference. That indicates for a gender responsive budgeting and planning through a bottom up approach at the local level. MWCD and the State governments should give proper instruction and guidance to the local authority for that.

GENDER IMPLICATIONS OF TAXATION: SOME PERTINENT ISSUES IN INDIA

It is now widely acknowledged that fiscal policy measures may have a different effect on women and men and like other fiscal measures, taxation policies also exhibit differential impact on men and women. If tax policies do not take into account the varied impact of taxation on men and women, the core principles of taxation, that is, "equity and fairness" can never be ensured and further, it may lead to gender biases²⁷ in the tax system. These biases can be both explicit and implicit²⁷ and these arise due to the prevailing social norms, differences in consumption pattern of men and women, female participation in workforce, burden of unpaid care work, among others. So, it is quite likely that taxation policies can also play an important role in rebalancing gender inequalities as the expenditure policies, such as gender budgeting, can do. But, before making any change in tax policies to ensure equity, proper analysis of incidence of tax burden on men and women must be done for both the direct and indirect taxes.

GENDER BIAS IN DIRECT TAXES:

It is often considered that the most explicit biases against women are laid in the direct taxes.²⁸ In direct taxation, in joint tax filing mostly the women (low earner within the family) are ending up paying taxes at higher marginal rates. Further, in joint tax filing, the principle earner (mostly the men) get certain tax allowances and exemptions. This type of explicit bias against women, in the direct tax system, could be observed in many countries, where joint tax filing is practiced. For example, in principle, married and legally cohabitant taxpayers in France, Greece, Luxembourg, Malta, Switzerland, among many others, have to file joint tax returns.²⁹ However, compared to those countries, Indian tax system could be considered as less gender biased as it allows both husband and wife to file income returns as separate earners. But, at the same time Indian tax system "recognizes the Hindu Undivided Family (HUF) as a separate and distinct taxable entity, reflecting a

typical social and economic arrangement that is inherently biased against women."³⁰ But, recent amendments in the Hindu Succession Act 1956 has significantly reduced the gender inequities in the HUF.³⁰

However, despite the presence of the concept of HUF, India is one of the few countries where taxes have been used as an affirmative action policy in the sphere of direct taxes. For a fairly long period of time, income tax in India provided preferential tax treatment to women by providing them higher basic income exemption limits compared to men. So, a household with a single female earner would attract less taxes. But, the tax policy with higher exemption limit for women has been abolished since 2012-13. In this way, to make the tax system gender neutral, it was ultimately turned into 'gender-blind', as considered by experts. Irrespective of the magnitude of impact on women,³¹ this tax policy should have been continued, given the huge socio-economic disparities that women are facing including the discrimination in the formal job markets.

Another affirmative tax policy, which is practiced in India, for empowering women is the rebate on stamp duty when a property is registered in the name of a woman whether it is single or co-ownership. As an instance, in Delhi, if property is purchased or ownership is transferred to a man, 8 percent stamp duty is applicable. But, for women, stamp duty is 6 percent with an additional 30 percent rebate.²⁸ This practice of rebate on stamp duty exists in all the states; although the rate of stamp duty varies across the states.

In the sphere of direct taxes, there are few other taxes, such as wealth tax and gift tax which has strong gender connotations. Usually, most gifts are received on certain occasions such as marriage are exempted from tax. It clearly shows the tacit acceptability of dowry at the time of marriage.³² So, it is imperative to impose taxes on gift and wealth to discourage the social evil like dowry, which is one of the major causes behind the domestic violence against women.

IMPACT OF INDIRECT TAXES ON WOMEN:

As India is heavily dependent on indirect taxes and nobody can evade it, altering the indirect tax policies is easier to influence consumption as well as production decisions of everybody or a targeted group of population. So, intervention through indirect taxes may have significant impact on women and gender inequality. In a country like India, where majority of women work in the informal sector, indirect taxes have a greater impact as opposed to income tax. It is generally acknowledged that indirect tax is regressive in nature as both poor and rich pay same amount of taxes for purchasing a certain amount of commodity and it is well documented in a vast amount of literature. But, there is a dearth of literature, especially in

India, which scrutinises the differential impact of indirect taxes (mainly value added tax/VAT) on women. One of the few studies, done by Chakraborty et al. (2010), assessed the impact of several indirect taxes on women in India, with specific focus on West Bengal.

Some of the key findings of the study are:

- It was found that the tax incidence falls most heavily on the poorest quantile of population. The results do suggest the VAT on basic consumption goods especially places a greater burden on poor households in specific household categories when we look at the incidence of various commodities across expenditure quintiles. The tax incidence on basic necessity items and on food and beverages was found to be higher for the lowest expenditure quintile.
- The regressivity of indirect taxes was most prominent in urban areas where the poorest quantile pays 3.89 percent of their expenditure as taxes whereas the 5th quantile (the expenditure quantile) pays only 0.84 percent of their expenditure. In rural areas, although the difference is not so much, the poorest quintile pays more tax than the richest quintile.
- It was also found that aggregate incidence of tax is higher for female-headed households than it is for male-headed households. However, there were differences across various expenditure categories.

It is evident that the poorest section of population, including women, pay some undue burden of indirect taxes. Since the last year, India has adopted Goods and Services Tax (GST), which subsumes all the indirect taxes. Although, some essential goods and services have been exempted from the GST, the rates for different commodities must be scrutinised carefully from the perspective of gender and poverty. Otherwise, like the VAT, the GST regime may also end up with the unfair burden of taxes on women and poor households.³³

In recognising the grim situation of gender inequality, India was committed to removing all forms of gender inequality since long past and some intense policy discourses were started as early as in 1974. These discourses, in the subsequent years, led to adopting several affirmative policy initiatives to address extreme gender inequality. During the last decade, the most important policy measure that India is implementing in achieving gender equality is the 'gender budgeting.' Despite some drawbacks in the initial years, India is doing well in implementing this fiscal policy measure – the gender budgeting. This is being strengthened by some other fiscal policy measures, such as, some affirmative taxation policies, in the sphere of direct taxation. But, India's indirect tax system is heavily skewed against poor and also to some extent on women. As a corrective measure to counter the negative impacts of indirect

taxes, some interventions from the expenditure sides could be done. These types of interventions³⁴ are already in place in India as gender budgeting. Largely, different types of fiscal measures are complementing each other for 'ensuring fiscal justice for women' and achieving gender equality.

Lastly, but most importantly, it must be kept in mind that regular monitoring and impact assessment of women specific programmes/schemes and other policy interventions is an integral component of the exercise of gender budgeting. Proper impact assessment needs gender segregated data for various programmes/schemes and also for all sorts of socio-economic indicators. One of the major hindrance of periodic monitoring and evaluation of MDGs was the lack of gender segregated data, both globally as well as nationally. Lessons from the past experience should be capitalized, so that, the targets of SDGs are monitored periodically and corrective actions can be taken accordingly. In the past, the Ministry of Women and Child Development (MWCD) had played a leading role in institutionalising gender budgeting and implementing it. The MWCD recently drafted the National Women Policy 2016, which appropriately calls for 'collecting gender segregated data in all levels,' keeping in mind the requirements of periodic monitoring of SDGs. It is imperative that MWCD would coordinate to ministries and agencies to engender women specific data.

NOTES

- ¹ Millennium Development Goal, Gender Chart 2015, United Nations. http://mdgs.un.org/unsd/mdg/Resources/Static/Products/Progress2015/Gender_Chart_Web.pdf, accessed on May 9, 2018.
- ² Removing all forms of gender inequalities is enshrined in the Sustainable Development Goal No. 5.
- ³ India and the MDGs: Towards a Sustainable Future for All, UNESCAP, 2015.
- ⁴ Elson (2002) observes that government budgets are not "gender-neutral" and that the appearance of gender-neutrality is more accurately described as "gender blindness," because fiscal measures may have a different effect on women and men.
- ⁵ Government activities refers to everything that government do - from maintaining law and order, administration, ensuring external and internal security to providing services like health, education, social security etc. to its citizens, infrastructure development, etc. and every activity needs some financial resources and all are recorded in the budget document.
- ⁶ Das, S. & Misra, Y. (2006) Women's Component Plan and Gender Budgeting in India: Still a Long Way to Go! Yojana, Vol. 50, October 2006, Ministry of Information and Broadcasting, Government of India.
- ⁷ Report of the Expert Group Constituted to Review the Classification System for Government Transactions, Ministry of Finance, Govt. of India, July 2004.
- ⁸ Stotsky, Janet G., (2006) Gender Budgeting, IMF Working Paper, October 2006.
- ⁹ Sarraf, Feridoun, 2003, "Gender-Responsive Government Budgeting," International Monetary Fund Working Paper 03/83 (Washington: International Monetary Fund).
- ¹⁰ Towards Equality, Report of the committee on the Status of Women in India, Govt. of India, 1974. <http://pldindia.org/wp-content/uploads/2013/04/Towards-Equality-1974-Part-1.pdf> (accessed on April 14, 2018).
- ¹¹ Five Year Plan: India adopted this development strategies in the post-independence year. In every five years, the Planning Commission would identified some priority areas and set the development strategies in line with that.
- ¹² The Steering Committee on Empowerment of Women and Development of Children for the Tenth Five Year Plan (2002-07), Planning Commission, October 2001.
- ¹³ Chapter on Women and Children, Tenth Five Year Plan Document, Govt. of India.
- ¹⁴ Although, in the 10th Five Year Plan, the implementation of WCP was not satisfactory (see the Mid-term Appraisal of the Plan), its articulation about gender budgeting helped to create discourses in policy circle and further, moving towards a regime of gender budgeting. Around four years after the adoption of Gender Budgeting in the Union Government and some of the States, the Planning Commission formally discontinued WCP in 2009-10.
- ¹⁵ Recognising Gender Biases, Rethinking Budgets - Review of Gender Responsive Budgeting in the Union Government and Select States, 2012; CBGA.
- ¹⁶ The Tenth Five Year Plan (2002-07) marked another significant step forward as it envisaged "immediate action in tying up these two effective concepts of WCP and Gender Budgeting to play a complementary role to each other, and thus ensure both preventive and post facto action in enabling women to receive their rightful share from all the women-related general development sectors."
- ¹⁷ The gender budget analysis of Union Budgets done by the NIPFP was incorporated in the Annual Reports of the DWCD.
- ¹⁸ Report of the Expert Group Constituted to Review the Classification System for Government Transactions, Ministry of Finance, Govt. of India, July 2004.
- ¹⁹ Union Budget 2018-19, <https://www.indiabudget.gov.in/>
- ²⁰ Statement on Gender Budget, <https://www.indiabudget.gov.in/ub2018-19/eb/stat13.pdf>
- ²¹ Usually, one department/ministry has one demand which contains the information on various programmes/ schemes under the department/ ministry. A big ministry may have more than one departments and the number of demands. The Union Budget 2018-19 shows total 99 demands (under different ministries), out of which only 33 demands show women specific allocations. Most of departments are not showing gender specific allocations on the ground of gender neutrality of their budgets.
- ²² 1 crore = 10 million and 100 crore = 1 billion.
- ²³ Gender Budgeting in India: A Tool of Women Empowerment, Information Bulletin, Lok Sabha Secretariat, March 2016.
- ²⁴ Although MWCD trying to institutionalise Gender Budgeting, both at the Central as well the State level, it is not mandatory for the central ministries or states to adopt it.
- ²⁵ Ministry of Urban Development, Ministry of Information Technology, Ministry of Power, Ministry of Corporate Affairs, Ministry of Statistics and Programme Implementation etc.
- ²⁶ It actually calls for adopting citizen's engagement and participatory budgeting through a bottom up approach.
- ²⁷ Stotsky, Janet G., (1997) How Tax System Treat Men and Women Differently, IMF, March 1997.
- ²⁸ Taxation Policies through a Gender and Equity Lens, Briefing Note 11, Gender and Economic Policy Discussion Forum, January 2014.
- ²⁹ Global comparative study of the personal income tax return process, Deloitte, 2017. Available on: https://www2.deloitte.com/content/dam/Deloitte/be/Documents/tax/TaxStudiesAndSurveys/Personal-income-tax-return-study_EN_2017.pdf, accessed on June 9, 2018.
- ³⁰ Chakraborty et al. (2010) Gender equality and taxation in India An unequal burden? in - Taxation and Gender A comparative analysis of direct and indirect taxes in developing and developed countries, Edited by Caren Grown and Imraan Valodia, IDRC 2010.
- ³¹ As mentioned in Chakraborty et al. (2010), the probable reason is that this higher tax exemption had very little impact on women in India, as only a tiny section of women were benefitted due the existing employment structure of this country. In India, only 19 percent women are employed in the organised sector (public & private sector). Out of these, only about 0.00001 percent of all women/or, 0.27 percent of the working women pay direct taxes. So, only a negligible section of women were getting benefitted from the provision of higher tax exemption for women. And due to these facts, such kind of intervention through direct tax policies would have very little impact on women.
- ³² As opined by several experts, including one of the leading feminist economist in India, Prof. Ritu Dewan.
- ³³ For example, levying of 12% Goods and Services Tax (GST) on sanitary napkins clearly

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