

# Gender-responsiveness of Union budget 2023

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IWWAGE Seminar

# Budget and Gender Responsive Budget

- Signals priorities: Amrit Kaal, Saptarishi (women's empowerment), capital expenditure
- Gender responsive budgeting is a process – what we have is mostly a Gender Budget Statement
- “the importance of Nari Shakti (women power) as the harbinger of our bright future and for women-led development during the Amrit Kaal (the 25-year-long lead-up to India@100).”

## *Evidence of slowdown in the recent part (post-2015)*

- Highest unemployment rates in over four decades (PLFS data)
- Stagnant rural wages (Wage Data)
- Increasing inequality

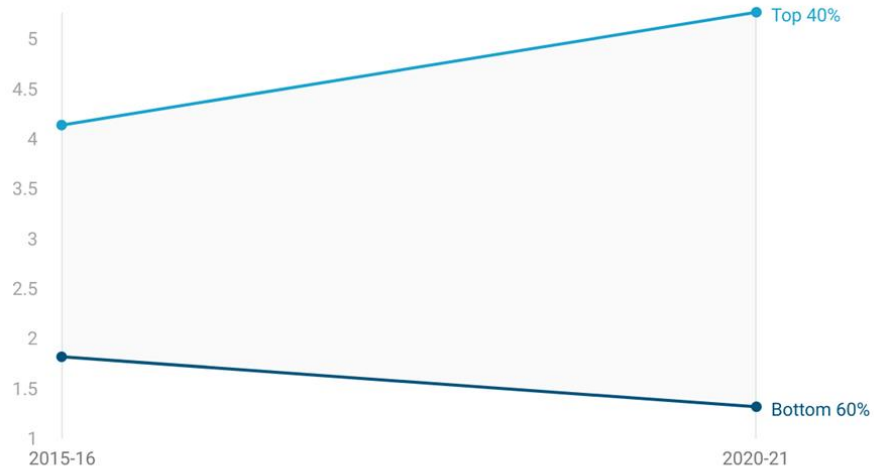
*[The top 10% population's share in the national income is 57%, while the bottom half gets only 13% of the pre-tax national income – World Inequality Report]*

- 'Slowdown, pauses, and reversals in infant mortality decline' in 2017 and 2018 (Drèze, Gupta, Parashar and Sharma, 2020)
- Leaked NSSO report shows declining consumption expenditure (more poverty)
- Recent NFHS-5 results

# K-shaped Recovery

**Chart 1(a) K-shaped Movement in Income**

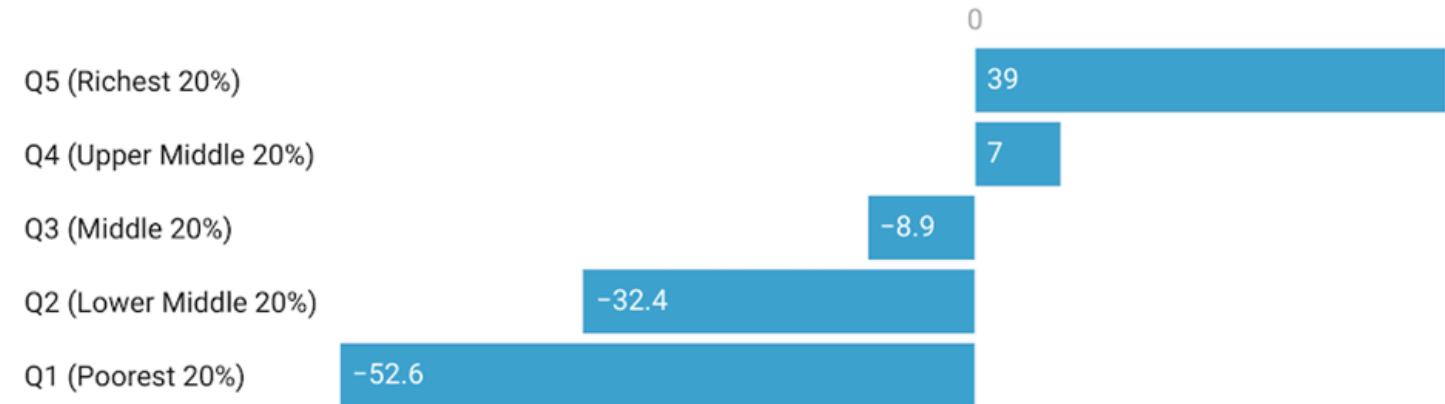
(annual average household income in Rs lakh)



Source: Indian Express based on ICE 360 data • Created with Datawrapper

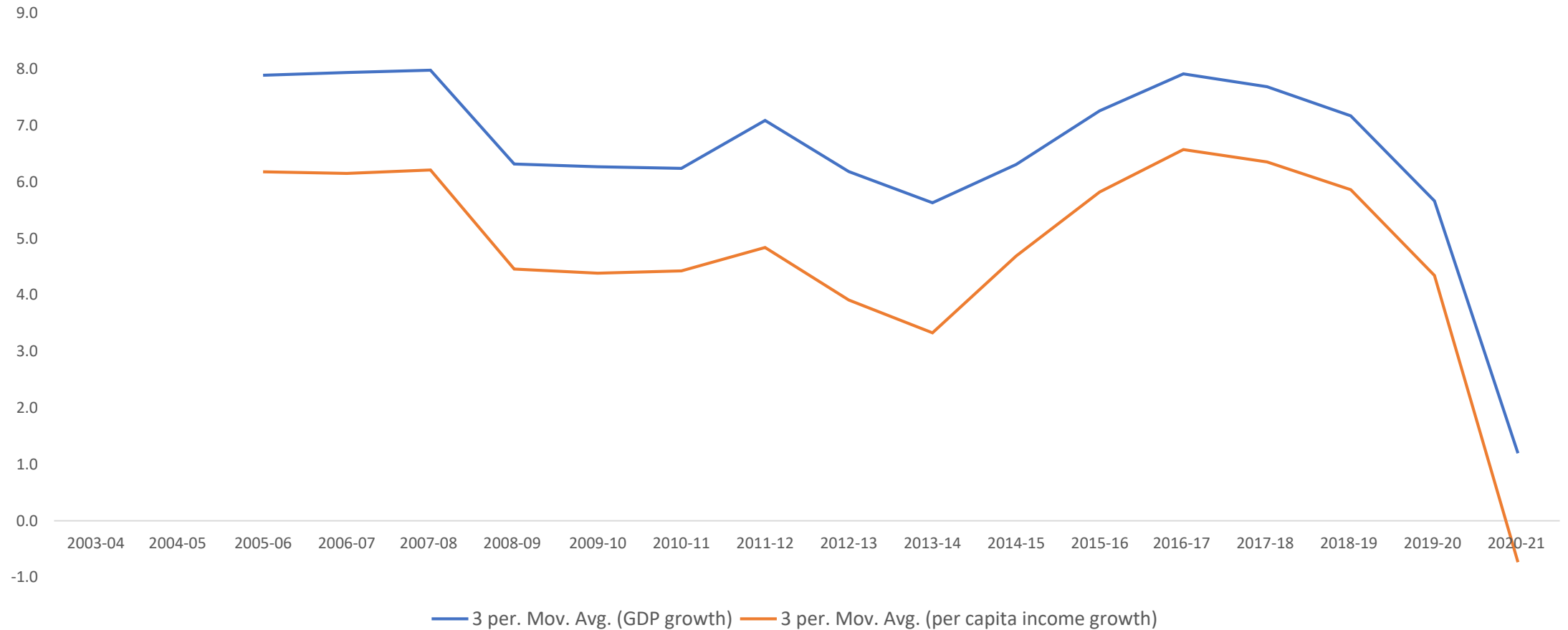
**Chart 1(b): A Deep Class Divide**

Change in household income between 2015-16 and 2020-21 (in %)



*Source: Azad and Chakraborty (2022) based on ICE 360 data as published in Indian Express*

# Growth slowdown



# Stagnant Real Wages



Source: Labour Bureau

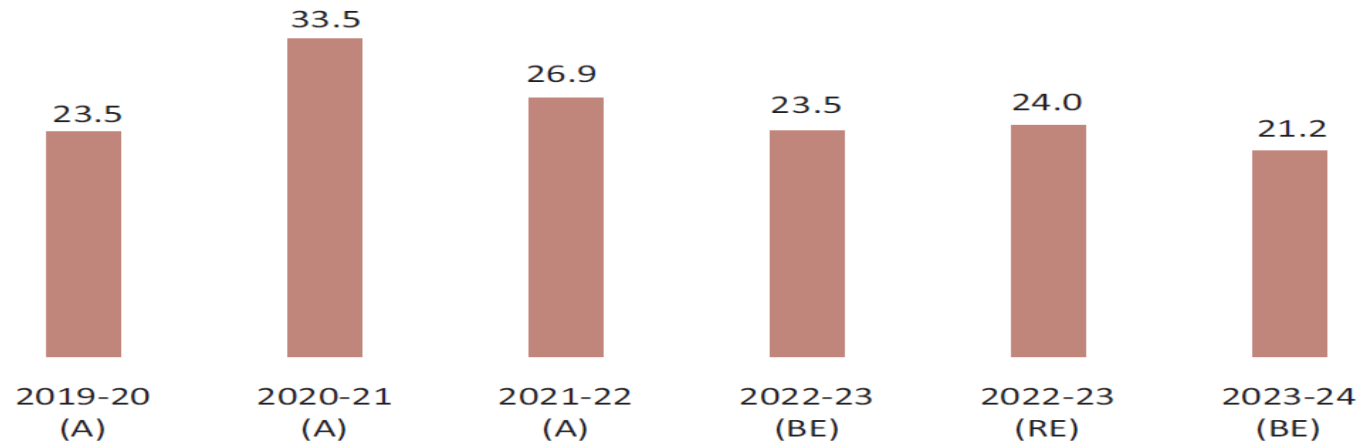
# Is it Capital Expenditure at the cost of Social Sector?

Table 2.1: Capital Expenditure as a Proportion of the Total Union Budget and GDP (%)

Year	Capital Expenditure (Rs crore)	As a Share of Total Budget (%)	As a Share of GDP (%)
2019-20 (A)	3,35,726	12.50	1.64
2020-21 (A)	4,26,317	12.15	2.15
2021-22 (A)	5,92,874	15.63	4.02
2022-23 (BE)	7,50,246	19.02	2.91
2022-23 (RE)	7,28,274	17.39	2.67
2023-24 (BE)	10,00,961	22.23	3.32

Source: Compiled by CBGA from Union Budget Documents, various years.

Figure 2.11: Combined Share of 16 Social Sector Ministries\* in the Union Budget (%)



Source: Compiled by CBGA from Union Budget Documents, various years.

# Where is the capital expenditure focused?

- Energy – 38K crores
- Transport – 4.8 lakh crores (of this 2.4 lakh is railways and 2.4 is roads and bridges)
- Communications – 68K crores



# Is social sector expenditure all 'subsidies'?

*Expanding welfare state can contribute to economy*

- Not residual, related to nature of growth and economy
- Quality of labour/human capital (demographic dividend)
- Better human development contributes to economic growth
- Investment in social sector can also contribute to economy (multiplier)
- Reduce unpaid work burden on women, release them for labour force participation

## *India's record on welfare spending is very poor*

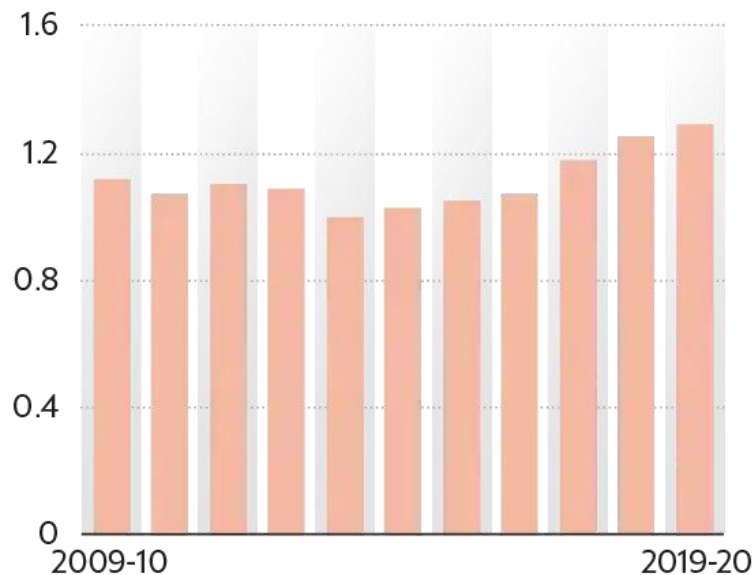
- The World Social Protection Report 2020-22, brought out by the ILO, shows that the spending on social protection (excluding health) in India is 1.4% of the GDP, while the average for low-middle income countries is 2.5% .
- Budgets on health and education have also been low, much below the desirable levels of 3% and 6% of the GDP.
- This continued negligence does not bode well for inclusive development in India.

# Health Spending in India amongst the lowest

## Health a low priority

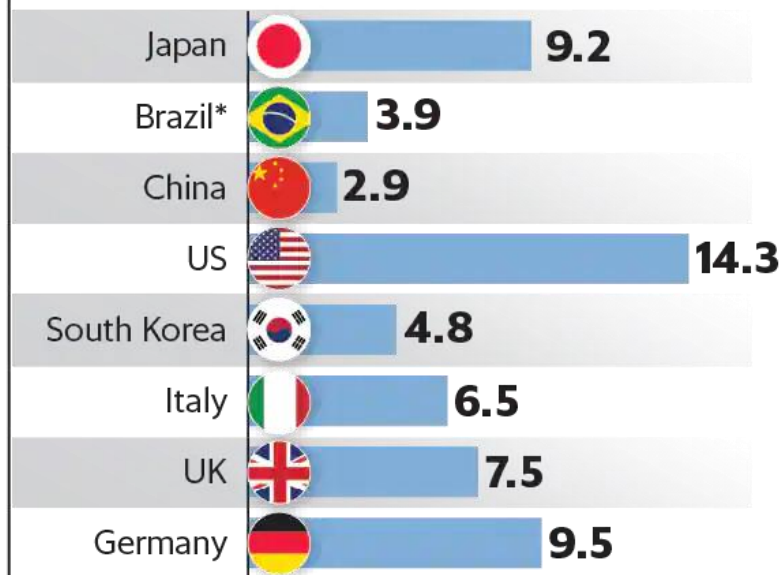
India's public health expenditure was just 1.29% of GDP in 2019-20. In 2018 too, the country lagged behind BRICs peers as well as developed nations.

India's (centre plus states) public expenditure on health (as % of GDP)



Source: National Health Profile 2019, Government of India; CARE Ratings' calculations

Public expenditure on health in 2018 (as % of GDP)



\*For 2017

Source: OECD, Conta-Satélite de Saúde

# *Huge Investments needed in Education*

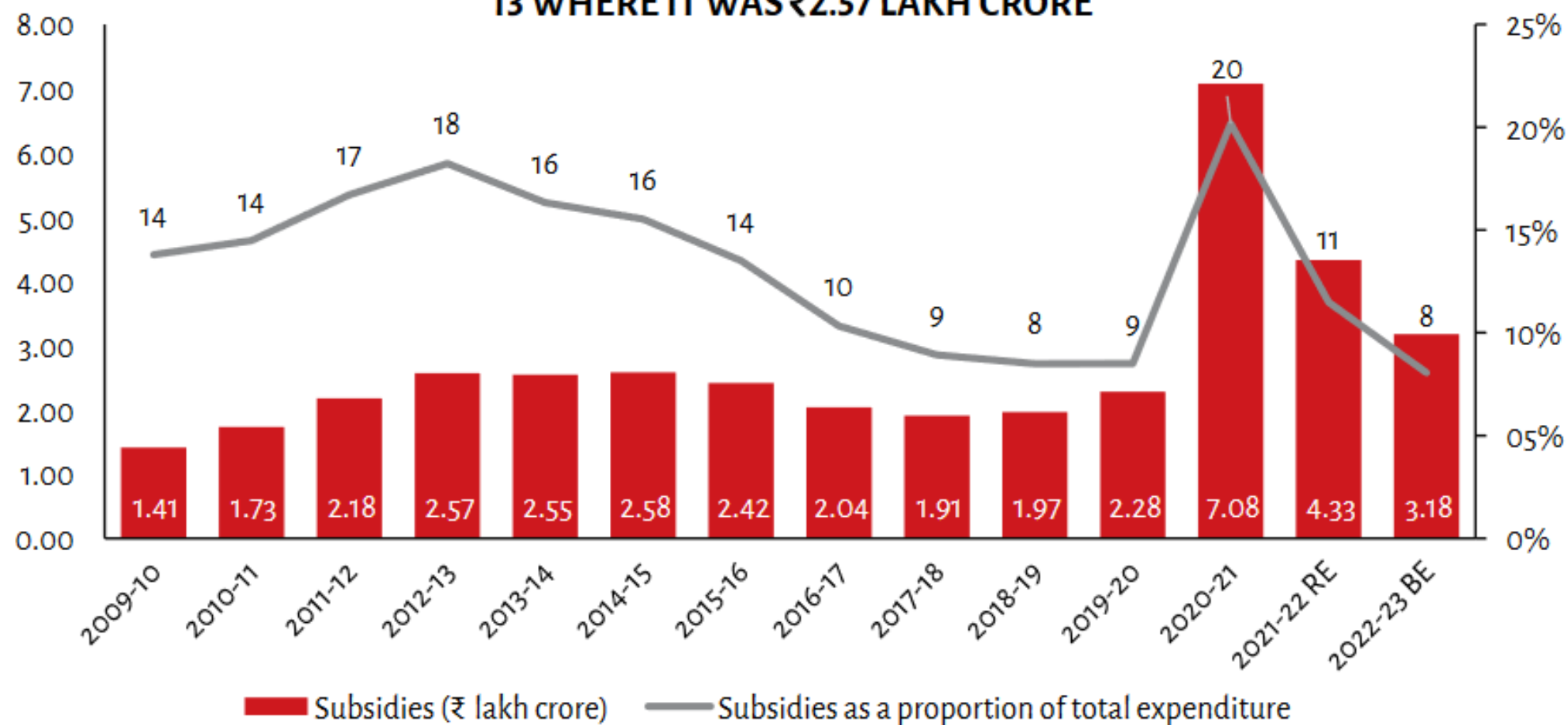
- 7.25% schools are single teacher schools
- 43% teachers have no contracts
- 62% of schools having all classrooms rated as being in 'good condition'
- Based on the PTR of 35:1, the total additional teacher requirement is found to be about 11,16,846.
- 19% of schools have vacancies in teacher positions (state-wise variations are large. 56% in Bihar, 40% in Jharkhand and 33%in UP)

*Source: UNESCO, 2021*

# *Potential for Employment*

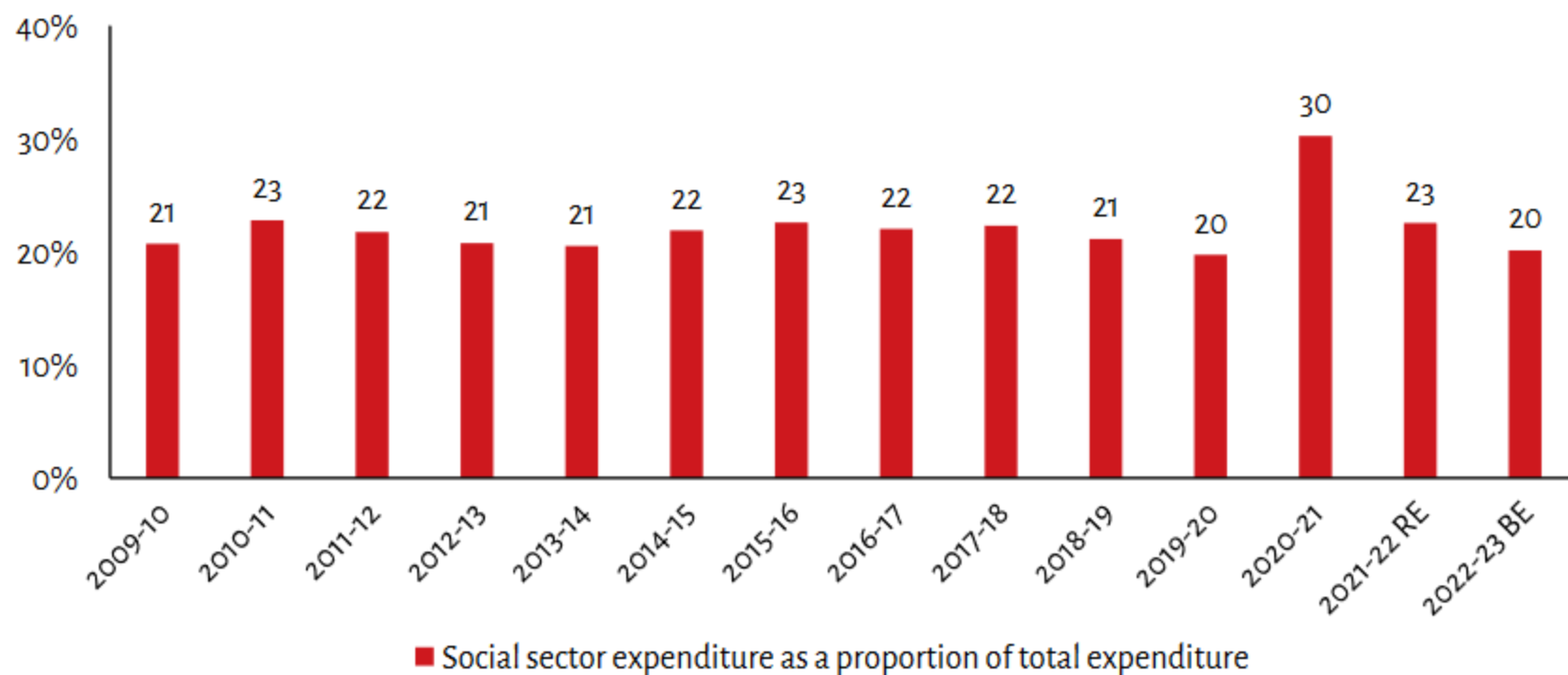
- There are over 8 lakh vacancies in Group A to C posts in central government,
- Over 14,000 vacant posts in central educational institutes,
- 1.4 lakh posts in the railways alone
- Public employees/1000 pop – 111 in Brazil, 57 in China and 16 in India
- Potential/need for service providers is high (to fill vacancies + meet norms)
- These jobs can create opportunities (especially for women) – with impact on human development outcomes as well as addressing the demand deficit in rural economy

**PRIOR TO THE PANDEMIC, GOI SPENT ₹2.28 LAKH CRORE ON SUBSIDIES, LOWER THAN IN 2012-13 WHERE IT WAS ₹2.57 LAKH CRORE**



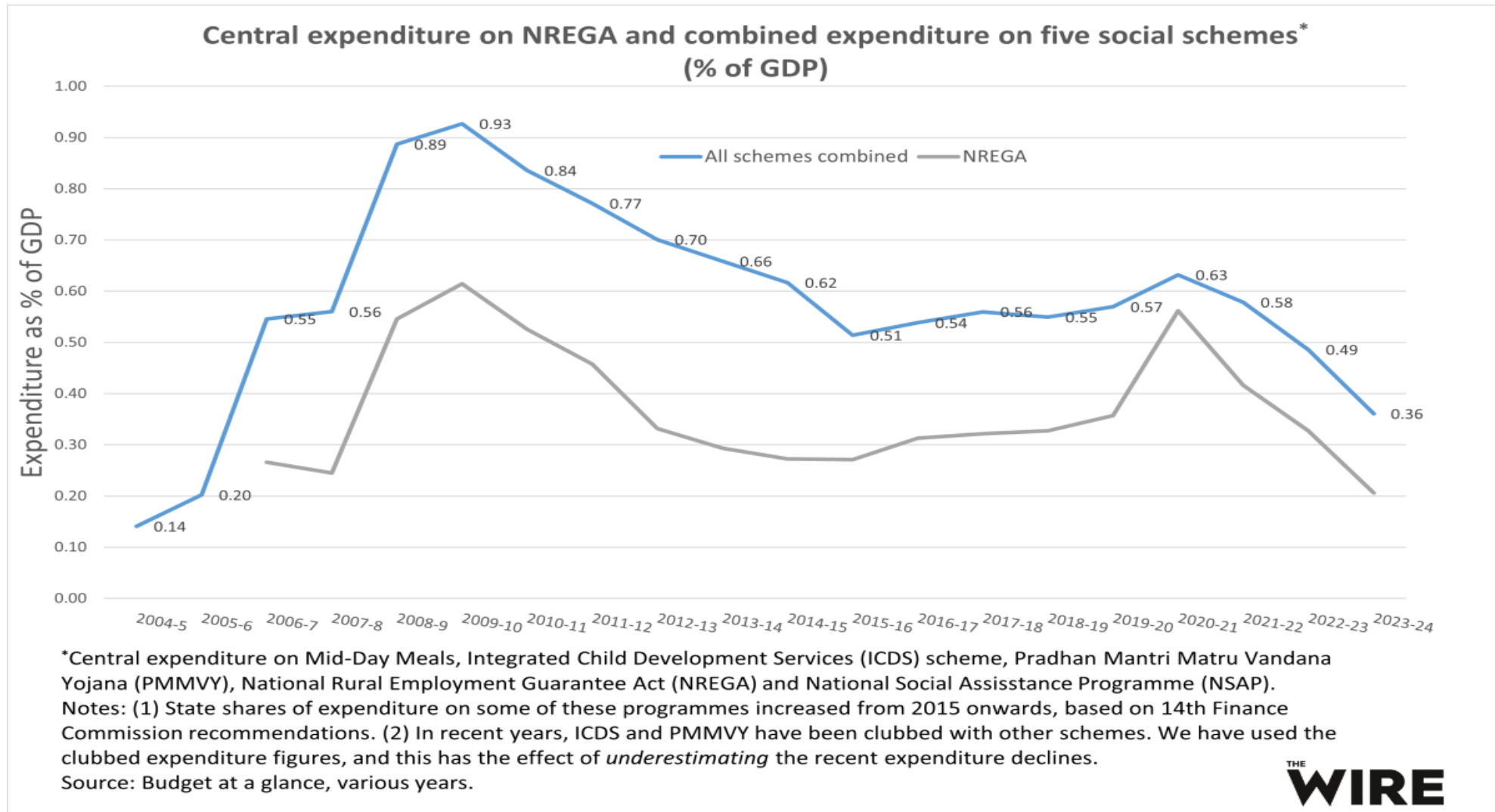
**Source:** Union Expenditure Budget, FY 2011-12 to FY 2022-23. Available online at: <https://www.indiabudget.gov.in/>.

### THE SHARE OF SOCIAL SECTOR EXPENDITURE HAS REMAINED STATIC



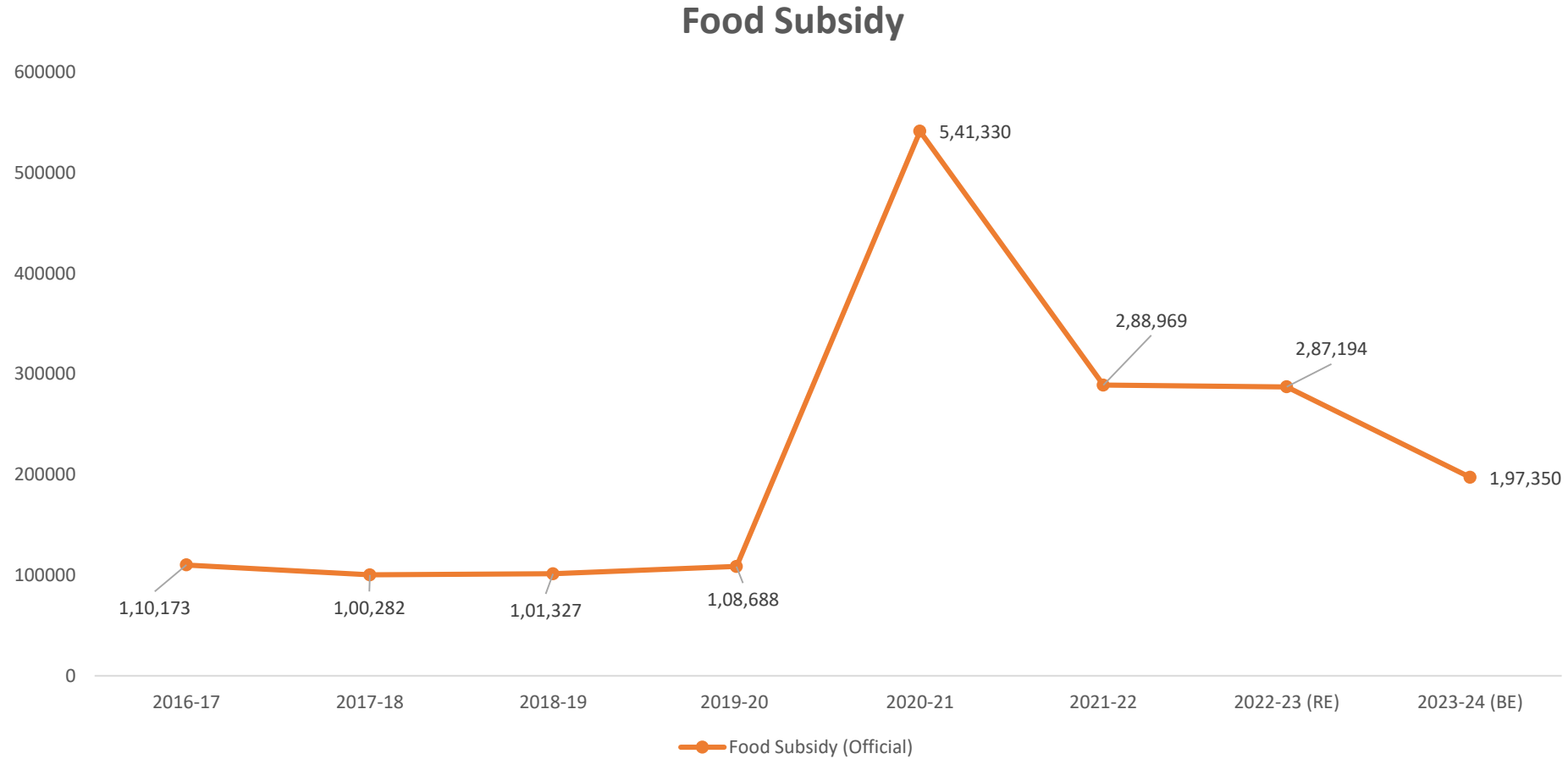
**Source:** Union Expenditure Budget, FY 2011-12 to FY 2022-23. Available online at: <https://www.indiabudget.gov.in/>.

# MG-NREGA and Social Schemes as % of GDP



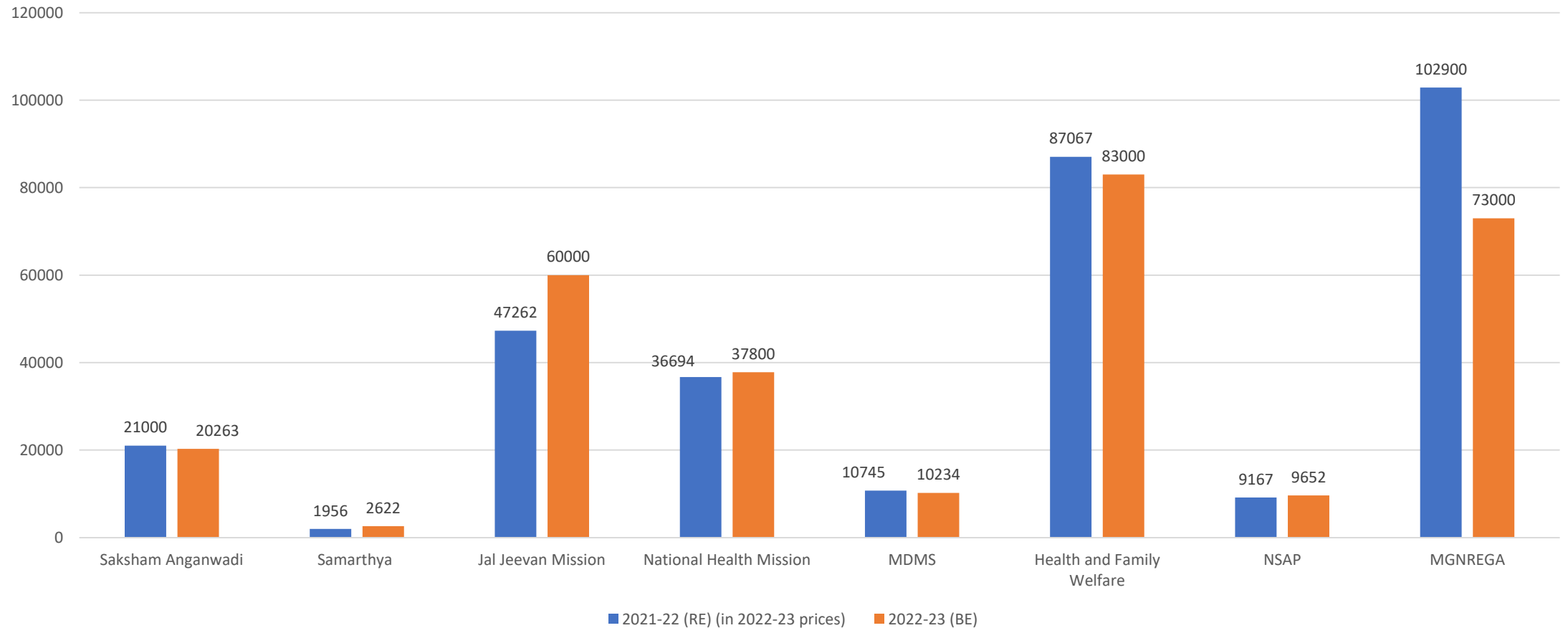


# Food Subsidy



\* Off-budget FCI loans and credit is not accounted for here

# Some Major Schemes/Departments (in real terms)



**TABLE 1: NOMINAL AND REAL CHANGES IN ALLOCATIONS FOR 19 SCHEMES**

SCHEME	TIME PERIOD	NOMINAL TERMS	REAL TERMS
SSA	2011-12 to 2018-19	23%	-18%
RMSA	2011-12 to 2018-19	36%	-9%
Samagra Shiksha	2018-19 to 2022-23	27%	2%
ICDS Core	2011-12 to 2020-21	11%	-34%
Mission Saksham Anganwadi and Poshan 2.0	2021-22 RE to 2022-23 BE	1%	-5%
PM POSHAN	2011-12 to 2022-23 BE	3%	-45%
CPS	2011-12 to 2020-21	378%	187%
TSC/NBA/SBM-G	2011-12 to 2022-23 BE	254%	126%
MGNREGS	2011-12 to 2022-23 BE	150%	34%
NHM	2011-12 to 2022-23 BE	122%	19%
PMGSY	2011-12 to 2022-23 BE	-2%	-47%
IAY/PMAY-G	2011-12 to 2022-23 BE	103%	9%
NSAP	2011-12 to 2022-23 BE	12%	-20%
IGMSY/PMMVY	2011-12 to 2020-21	284%	131%
PM KISAN	2018-19 to 2022-23 BE	5379%	4295%
Food Subsidy	2011-12 to 2022-23 BE	184%	52%
AB-PMJAY	2018-19 to 2022-23 BE	221%	157%
AB-HWCs	2018-19 to 2021-22 RE	30%	11%
NRDWP/NRDWM/JJM	2011-12 to 2022-23 BE	606%	279%

**Source:** Union Expenditure Budget, FY 2011-12 to FY 2022-23. Available online at: <https://www.indiabudget.gov.in/>.

***Midday Meals (MDM)******11.80 crore children enrolled in the PM POSHAN Scheme (Mid-day meal)***

<b>MDM budget in 2014-5 (just before the first round of cuts)</b>	<b>Rs 13,215 crore</b>
<b>Corresponding figure at today's prices, assuming 5%/year inflation</b>	<b>Rs 20,500 crore</b>
<b>Midday Meal budget in 2023-24</b>	<b>Rs. 11,600 crore</b>
<b>MDM budget 2023-24 as % of 2014-15 budget (in real terms)</b>	<b>11,600/20,500 = 57%</b>
<b>Midday meal budget in 2023-24 is 43% less in real terms as compared to 2014-15 budget</b>	

<b><i>Integrated Child Development Services (ICDS)</i></b> <b><i>(Total beneficiaries in ICDS are 10.8 crores)</i></b>	
<b>ICDS budget in 2014-5 (just before the first round of cuts)</b>	<b>Rs 18,691 crore</b>
<b>Corresponding figure at today's prices, assuming 5%/year inflation</b>	<b>Rs 28,996 crore</b>
<b>SAKSHAM budget (ICDS +3 other schemes) in 2023-24</b>	<b>Rs 20,554 crore</b>
<b>Of which ICDS (assuming 84% share, as in pre-SAKSHAM position)</b>	<b>Rs 17,265 crore</b>
<b>ICDS budget 2023-24 as % of 2014-15 budget (in real terms)</b>	<b>17,265/28,996 = 60%</b>
<b>Integrated Child Development Services (ICDS) budget in 2023-24 is 40% less in real terms as compared to 2014-15</b>	

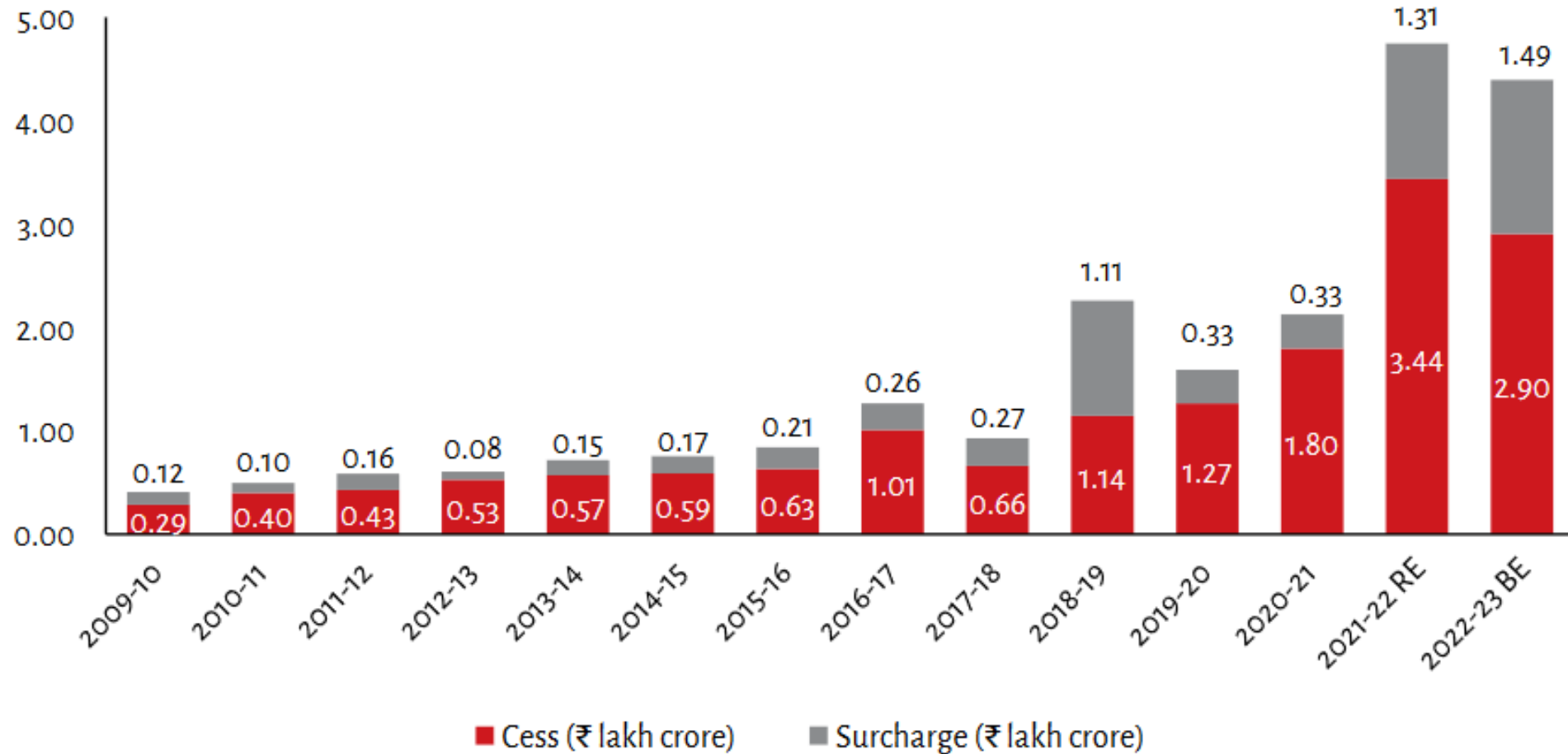
# What is the fallout?

- Low coverage (incl. PDS)
- No inflation indexing in unit costs
- Poorly paid frontline staff continue to be poorly paid
- No expansion in quantity of quality of services
- MGNREGA – demand more than the work generated + pending wages

# *Gender Budget*

- From 5.2% to 5% of GDP
- From 0.8% to 0.74% of total expenditure
- PM Awas budget up by 66%
- In nominal terms MWCD sees an increase of 1.08%
- Safe City Project sees an increase from Rs. 165 cr to Rs. 1300 cr
- Tribal affairs increase, but drastic decline in minority affairs
- Skilling, PM SHRI increased
- Reduction in LPG subsidy compared to RE of 2022-23

### CESSES AND SURCHARGES HAVE INCREASED SUBSTANTIALLY SINCE 2017-18



Source: Union Expenditure Budget, FY 2011-12 to FY 2022-23. Available online at: <https://www.indiabudget.gov.in/>.



**Table 1: Profile of companies across range of profits before taxes  
(Financial Year 2020-21) (No. of companies – 961,279 )**

S. No.	Profit Before Taxes	Number of Companies	Share in Profits before Taxes (in %)	Share in Total income (in %)	Share in total Corporate Income-tax liability (in %)	Ratio of total Income to Profits before taxes (in %)	Ratio of Tax to Total Income ( in %)	Effective tax rate (in %) [TaxtoProfitratio]
1	Less than Zero	476,839	0.00	0.65	0.61	0.00	22.96	0.00
2	Zero	41,367	0.00	16.25	6.99	0.00	10.54	0.00
3	Rs. 0-1 Crore	385,907	2.16	2.31	2.41	97.16	25.55	24.82
4	Rs. 1-10 Crore	44,499	6.41	6.19	6.68	87.53	26.42	23.13
5	Rs. 10-50 Crore	9,057	9.00	8.35	9.20	84.08	26.99	22.69
6	Rs. 50-100 Crore	1,535	5.02	4.57	5.06	82.64	27.08	22.38
7	Rs. 100-500 Crore	1,558	15.33	14.10	15.53	83.39	26.96	22.49
8	Greater than Rs. 500 Crore	517	62.08	47.58	53.52	69.49	27.54	19.14
<b>All Companies</b>		<b>961,279</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>90.67</b>	<b>24.49</b>	<b>22.20</b>