

## Gender and Federalism: Understanding Gender Budgeting

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**Abstract:** Federalism and its interaction with gender has been an important area of discussion for federal studies. The main idea is to understand whether federalism as a field of study, as a system of institutions and processes and as an idea is able to address the question of gender equality. This paper tries to draw an understanding of this interaction while analysing the role of gender budgeting in federations. Feminists and their interaction with the various levels of political systems has been important in identifying the issues of gender and politics. Gender Budgeting is one of these arrangements to address issues around gender equality within federal and nonfederal systems. However, the experiences of federations in this direction itself remains noteworthy which has been brought in this work. The example of gender budgeting in India has been discussed along with examples of few other federations.

**Keywords:** Federalism; Gender budgeting; Gender equality; Feminists

### Introduction:

The formation of federations has been a significant point in history when we see the formation of the first such modern federation in the United States of America with the objective of ensuring separation of power in a manner whereby institutions establish checks and balance based relationship amongst themselves while ensuring separate governments for citizens at separate levels where either levels of government exercise authority within their jurisdictions. Federalism along with separation of power would ensure true democratic form of government. However the federal model has not remained unquestioned and henceforth several lines of criticisms emerged. The most important amongst them being the 'orthodox' critique. The main idea being that distributing power impacts the decision making with problems of delay, contestation, impasse etc. also a further line of arguments being made that constituent unit governments are quite backward in economic, political and social sense. Also, that federalism provides opportunity to obstruct the functionings of government as a result of coincide and duplication [1]. Overall, the main theme of these criticisms being that federalism constrains the governments from becoming interventionist in several domains of life and hence it further constrains them from taking effective measures in terms of governance. At the other end of the spectrum lies the revisionist theories. The main idea being that federalism produces several points of authority and further incentivises them to formulate programmes and models of governance. It has also been argued that with federalism, public expenditure enhances and that radical policies become easier to be adopted given the fact that they become more feasible to be accepted in smaller jurisdictions than entirely in the national jurisdiction. This debate has been crucial when the relationship between federalism and gender is analysed. discussions emerge as to how federalism through its institutions and processes impact the issue of gender equality. To further delve deep into understanding this relationship, the idea of gender budgeting is brought into focus where the role of federations in their gender budgeting exercise is seen

important to be assessed. The following study aims to understand this relationship between gender and federalism.

### **Gender and federalism:**

The next question that becomes important is that how women and women organizations read into federalism and its several dimensions. Question remains that where do they put themselves into i.e. orthodox theories of federalism or revisionist theories of federalism.

As Gray clarifies that orthodox perspectives go along with the classical liberalism and that they do not fit into the later version of liberalism that is 'social' or 'welfare' liberalism. It is within the framework of the latter version of liberalism that women and women organisations have activated themselves towards greater achievement of principles of 'freedom', 'equality', 'justice' and 'rights'. Social liberalism was different from its counterpart where it emphasised on positive freedom over negative freedom. The ideas of private interests and little to no state intervention was getting redundant with this new version of liberalism. The larger narrative was that within society some are in better positions to avail private goods while others placed in less advantageous positions. Freedom to make choices was being seen as limited to few over all. In this newer version the debates around positive freedom, social rights and social justice gained importance which further necessitated the positive role of state to regulate the uncontrolled private interests in the market arena. It was on this part of the narrative that women believed in market sphere being controlled by state institutions practicing necessary intervention so as to attain the objective of equality.

Federalism further offers deeper insights into the issue of women and their political quests. But a very clear starting points as Williams explains is that federalism cannot be assumed to be either good or bad for gender equality and it would require one to concentrate on the specific structure of the federal system [2]. There have been explanations as to why federations are good and then there are explanations as to why federations are bad for gender equality. However each of them rest on applying gendered understanding of the specific feature of federal constitution. Even women groups inside federal systems look into whether they want a centralised policymaking or a decentralised policymaking suitable to their particular interests. As Sawyer and Vickers argue, "a federal regime means that women, once mobilised politically, must consider which level of government they want to have jurisdiction over which issues. They must consider if they value programs delivered by governments near them, with the resulting potential for regional diversity, or whether they favour a central government requiring uniform standards" [3]. Many of the oldest federations were formed before any activity of women mobilisation, which has been taken into consideration by feminist scholars. The dominant idea in favour of federal arrangement has been that it offers multiple venues for participation and representation. However, feminist scholars have argued that these old federations have divided power through a codified constitution with subsidiary status of constituent units and also that women's policy demands cannot set into the present configuration of the distribution of power and responsibilities [4]. also, there is the question of which matters fall under whose jurisdiction i.e. whether subjects related to social programs and welfare policies fall under federal or state responsibility. It has been often witnessed that feminists follow the orthodox view of federalism whenever they want the federal government to undertake such responsibilities so that the policies and initiatives have a national template and are uniform across the federation. A reason behind being the common understanding that fiscal resources in most federations fall in the favour of federal government. The overall emphasis then is on the point that several features of federalism like multilevel governance, decentralisation etc have been of importance to women and their issues. While there have been instances when a decentralised government has helped women taking their issues at several levels with opportunities to exit, there also have been instances where women seek for uniformity in terms of policy making and henceforth want a centralised agency to work upon such matters. Similarly, several aspects of federalism like those about asymmetry, Intergovernmental relations and fiscal mechanisms have been viewed as gendered. While asymmetry is about the several ethnic and regional identities where women as an identity does not fit in, intergovernmental relations have been behind the doors affected by the power relations in the society. On the other hands the fiscal arrangements between the different levels of government has been often seen to ignore gender overall.

### **Gendering fiscal federalism:**

Fiscal federalism is the interaction between the different levels of government with respect to their revenue raising, loan borrowing expenditure making arrangements [5]. It is under fiscal federalism that the devolutionary arrangements of governments are discussed. Also, it describes the constitutionally defined roles of governments with respect to fiscal powers and responsibilities. It is this attachment of fiscal aspect with the concept of federalism that necessitates a political economy perspective and is about the relationship between economics and politics and which further enables us to focus sharply upon ways in which federations function in a manner to maximize both their economic profitability and welfare policies [6]. Also greater reciprocity between political economy and constitutional arrangements is largely evident which is at the heart of the concept of fiscal federalism. Also, debates around constitutional reforms have largely revolved around the fiscal federal mechanisms, structures and arrangements. And the larger issues of constitutional arrangement for sharing of funds, disbursement of taxes, division of taxation powers and expenditure related responsibilities are largely about fiscal federalism. One of the common features of federations is the constitutional demarcation of revenue resources between the federal government and the constituent units. When we talk about seven sources taxes are the most important ones which comprises of direct taxes like income tax, corporate tax, customs and excise and indirect tax like sales and consumption tax. It has been seen that for reasons of economic integration excise and custom rests with the federal government. Also owing to the factor of cross border tendency of corporate income taxes they are generally collected at the federal level. On the other hand, in most of the federation's personal income tax and sales and consumption tax is collected in the shared manner by both the levels of government. So, a very important analysis that can be drawn is that most of the significantly resourceful revenue products with larger tendency of generating income rests with the federal governments within federations. There are technical arguments with this that given greater mobility between jurisdictions could reduce a tax base and make it difficult for sub national governments to generate ample revenues [7]. It further leads to the argument for centre being able of collecting taxes. This mismatch in terms of revenue raising and expenditure related responsibilities of constituent units is what can be described as 'vertical imbalance' in federal systems.

Now when we talk about gender most of the affective policy avenues rests under the subnational governments, as larger expenditure related tasks have been popularly given to the constituent units. Though we also need to talk about fiscal transfers and equalisation grants which are very much generated in federations and transferred by federal governments to the constituent units. Therefore, these transfers are largely meant to find solutions to vertical fiscal imbalance. These grants are meant to incentivise subnational governments for their lack of revenues and also for their spending purposes. Therefore, gender related spending activities are very much a part of the policy process. Given, most expenditure responsibilities rests with subnational governments a huge share of gender related responsibilities are a part of their administration. However, gender based policies have become a common concern of both the federal and subnational governments across the federations which has been evident in their gender budgeting exercises. Many of the welfare programmes in federations like India are run in a shared form by both level of governments. In contemporary times, gender mainstreaming of policies through gender budgeting has been common in both federal and unitary forms of governments. The concept has been further explained in the paragraphs below. At the same time governments have different approaches and have utilised different tools towards gender budgeting. When we talk about federations, there are many who have practiced gender budgeting not just at federal level but also at provincial level. Since Intergovernmental grants are in many federations transferred to regional governments from the federal government, a gender based transfer also seems to be considered as important since the capacity of constituent units to work on their gender budgeting program is very much dependent on these transfers. The nature of fiscal federal transfers in federations have been significant in their gender budgeting efforts both at national and subnational levels. At the international level countries have signed conventions against gender discrimination for example, the United Nations Convention to Eliminate All Forms of Discrimination Against Women (CEDAW) was signed by 180 countries and the Beijing Declaration of 1995 further marked the process. The Beijing Declaration mentions the need for gender budgeting on the part of signatories with specific focus on gender impact analysis. The MDGs and subsequent SDGs further include the goal on gender equality and women empowerment. All these international agreements have significantly

contributed in encouraging countries including federations to work towards gender equality and gender inclusive development.

### **Gender Budgeting:**

Across the world, inequalities between genders in terms of development, access to resources and opportunities have been persistent. These inequalities have both direct, indirect, active and passive outcomes. They impact women and their growth both psychologically and physiologically. They also lead to slow development of society as a whole given the fact that women are the centre of the family and that they are the first teachers of a child. Also, a Child's development is directly related to the health of the mother. Poor education and health opportunities impact women and society as a whole. At the same time the inequalities have economic growth related costs which impact the development of a country in terms of health, services, education, well being of the population etc[8].

When we talk about gender budgeting, we come across both normative and instrumental views on its significance. The normative views take gender equality as an end goal in itself where gender equality matters. All governments have a commitment towards gender equality where equality as a principle is codified both through national constitutions and international agreements for example, the Convention on the Elimination of All Forms of Discrimination Against Women (1979), the Beijing Platform for Action on Women (1995) and the Third International Conference on Financing for Development in Addis Ababa (2015). Gender budgeting has been understood as a form of gender mainstreaming where focus is on gendering policies and integrating the gender element into budgetary document and process.

Gender mainstreaming has been defined as the reorientation of policy activities in a manner where a gender perspective is included in the different phases of policy i.e. in each of the stages of formulation, implementation and assessment with an outlook to advance the cause of gender equality in an attempt to deal with the problem of gender discrimination [9]. Therefore, the employment of gender mainstreaming in the budgetary process can be understood as gender budgeting. Like any other mainstreaming activity, gender budgeting is meant to advance gender equality. A fundamental understanding necessary for this gender budgeting is that public budgets are not gender-neutral.

### **Gender budgeting initiatives:**

There are two recognized models of gender responsive budgets namely, "inside government" and "community based" institutional arrangements [10]. Gender budgeting which is also called as Gender Responsive Budgeting was first introduced by Australia both at the federal and provincial levels. They were named as 'women's budgets' given their emphasis on the result of budgetary allocations in terms of gender related outcomes. Though there has been clear mentioning of the fact that 'women's budgets' are not to be taken as budgets separate for women [11]. Australia started its gender budgeting programme from 1983 which ended in 2014. It all started with the submission of Women's Budget Statement which was subsequently introduced by governments at states and territory level also. The women's Budget Statement incorporated gender segregated data submitted by ministries and departments. A very active role of the feminist movement in Australia needs to be mentioned here, which saw government institutions as the arena to advance social justice. The further involvement of these feminists with state machinery and institutions saw growth of a women's agency called 'femocrats'[12]. At the same time intergovernmental mechanisms evolved which engaged politicians and femocrats at different levels through forums. Also, gender budgets in Australia closely related it to the unpaid care economy. Eventually, gender budgeting initiatives saw a downfall both at the federal and state levels which was largely ascribed to the insufficient participation of the civil society.

The South African gender budget initiative is another notable one. while the Australian approach was "inside government", the South African approach is "community based". In South Africa the gender responsive budgeting programme started in 1995, which was largely a collaborative undertaking on the part of women legislators and civil society groups. The entire agenda was to integrate gender into the budget instead of policies and allocations specifically and separately for women [13]. The establishment of institutions to look into the

Careful execution of these programmes stressing gender equality for example the Office of Status of Women (OSW) and Commission of Gender Equality (CGE) is another aspect of gender budgeting in South Africa. Though a major limitation being that gender budgeting initiatives never got to be practised within government on a serious note, given the importance of both government and civil society and their cooperation for this task. In 1998, gender budgeting activity inside the government started feebly with the foundation of a women's pilot budget within the Department of Finance, though it ended after two years. Though one cannot ignore the fact that civil society arrangements and initiatives engaged effective engagement of participation of the community. By 1999, the gender budgeting programme was extended to the local level. The level of fiscal decentralisation and autonomy of the subnational units was taken into account at this point. Though the problem remained same, the absence of gender budgeting initiative inside the local governments except the Guateng province.

When it comes to performance in terms of gender equality indicators, the Nordic countries have stood on top. Their gender budgeting initiatives have closely corresponded to the results marking the efficiency of such programmes. These countries have focused largely on gender analysis of allocations. The main agenda being to analyse the apportionment of resources between genders through gender disaggregated statistics. These countries have best tradition of gender equity where women participation in the labor market and several sectors and industries is high while men's participation in the care sector has also been increasingly high [14]. The objective of gender budgeting in these countries has led to gender analysis of all policy arenas.

Amongst federations, Canadian example is a very significant one. Since 1995 the government of Canada adopted a federal plan for gender equality by conducting gender-based analysis of policies and programmes. But it is also pertinent to state that for quite some time Canada had not specifically indulged into gender budgeting. It was only in 2015 and 2017 that Canada came out with its first gender balanced cabinet and Gender Budget Statement respectively. The Budget 2018 establishes Gender Budget Framework in Canada. Gender Results Framework is what the tool is to be employed by government of Canada to track its performance in the achievement of gender equality. The formal recognition to gender budgeting in Canada henceforth can be dated only to 2018 when the Canadian Gender Budgeting Act was passed by the Canadian parliament where gender inequality was to be addressed through budget. This was mainly about incorporating Gender Budgeting Analysis plus (GBA+ ) as a tool into the budget. This tool is about analysing gender relations and accounting its impacts on specific genders. GBA+ as a tool looks into the needs of all equality seeking groups where plus signifies the several intersectional based identities on gender [15]. GBA as a tool is dependent upon gender disaggregated data from particular departments. It is about analysing the condition of specific genders in the larger atmosphere of government activities, policies and programmes. The plus simply means going beyond biological (sex) and socio-cultural (gender) differences and including non binary people. It also helps in assessing the interaction of gender with race, ethnicity, culture, class, age, disability etc. At the core of this approach is allocations to genders in an unbiased manner.

### **Gender Budgeting in India:**

Gender budgeting in India is still a task in process which has undergone several stages till today. It was formally initiated in the financial year 2004-05. At the same time, it is an initiative led inside the government by the Ministry of Finance while the nodal agency of gender budgeting is Ministry of Women and Child Development (MWCD). The main mechanisms associated to gender mainstreaming of budgets in India have been Gender Budget Statement (GBS) and Gender Budgeting Cells (GBCs). Gender Budgeting in India has undergone four stages namely,

- 1) Knowledge Building and networking: in this stage it is to be understood that GRB has been not a random thing for us to follow but a result of comprehensive study and research done by an expert Group of NIPFP under the leadership of Ashok Lahiri. The study becomes significant not just because it recommends the formal policy of gender budgeting to be adopted in India but also because it was pioneering gender budgeting studies at a time when no such example was found in any developing country.
- 2) Institutionalisation and policy making: the expert group suggestions and recommendations led to the government adopting GRB as a policy step in 2004-05. It involved the laying out of gender budget statement for the first time. The gender budget statement involved the reporting of women related allocations for that

particular financial year. It was two pronged a strategy consisting of two parts A and B. While part A included 100% expenditure specifically meant for women, part B was about schemes that accounted to not less than 30% of spending.

- 3) State capacity building : the next significant step in the direction of gender budgeting in India has been that of state capacity building. It was in this line that the several ministries and departments were asked to make Gender Budgeting Cells to galvanise the process of gender budgeting through specific ministry. Along with this, training of government officials and policy related people has been another important task in that direction.
- 4) The auditing stage: accountability and transparency become automatically important to examine policy implementation. This has been therefore the next stage in the process of gender budgeting in India. The Comptroller and Auditor General (CAG) has been assigned this task to conduct gender audits. [16].

Gender budgeting in India involved collaboration between government departments, non government organisations and international bodies. While it was mainly centred in the Ministry of Finance, the Ministry of Women and Child Development imparted the necessary role of coordination. UNIFEM was the international body which guided in terms of steps to be taken to make an effective policy of gender budgeting. NIPFP( National Institute of Public Finance and Policy) which is the government's think tank on public finance developed the necessary tools and instruments to effectuate the government's programme of gender budgeting [17].

#### **Suggestions to improvise gender budgeting in India:**

- 1) It has been constantly stressed that gender budgeting in terms of specific programmes should not just be the only mechanism but focus should also be on general policies and schemes which also have a gender differential impact. Women have both strategic and practical needs. It has been highlighted that spending in infrastructure can influence the practical requirements of women [18].
- 2) Gender analysis through gender disaggregated data becomes important as it reveals the performance initiated under the garb of gender budgeting. It explains the continuing gender Inequalities if any and also looks into the implementation of policies and programmes through a gender lens.
- 3) Further there have been suggestions to incorporate the missing unpaid care economy into the larger macroeconomy. We are behind many developed and also few developing countries in this respect. we miss on several important issues of concern because of this problem. The use of time budgets has been underlined to secure data in terms of how much time women and men contribute to particular services including domestic services and it's implications in terms of gender equality.
- 4) Gender budgeting at the decentralised level go government has been well practiced only in the state of Kerala, while other states have underperformed. Since women participation grew since introduction of local governments in India it beaches important to ensure that gender budgeting is incorporated at the lower rungs of government. Lekha Chakraborty suggests integration of fiscal concerns with the entire gamut of gender budgeting. She further argues that this can be possible given the gradual feminisation of local governance in conglomeration with greater fiscal devolution to the local governments in India [19]. She further emphasises that it could make necessary interventions in the direction of gender budgeting while at the same time would help identify differing gender needs shifting from universal gender budgeting policies for all.
- 5) This has further led to the suggestion that incorporating gender as a parameter in making fiscal devolutions and Intergovernmental grants in the federal system can impact the process of gender mainstreaming. This would involve streamlining gender as an aspect at all levels of government.

#### **Conclusion:**

Federations have the common element of having at least two levels of government. Women groups have usually focused their attention to both the levels depending upon the particular policy on issue. They have supported both centralised and decentralised policy making depending on their interests. Also, several aspects of federalism

ranging from asymmetry and Inter-governmental relations to fiscal arrangements have been understood as gendered given their interaction with the issue of gender inequality. At the same time gender budgeting has been an important exercise in many of the federations where they have adopted specific gender budgeting model. A comparative study of their gender budgeting regimes brings the fact that it is never the same experience for all. The degree of seriousness towards the cause of gender budgeting has further varied across federations. The Indian experience of gender budgeting has not been old where a lot of activities are being incorporated into its gender budgeting exercise. There are a range of limitations too which needs to be dealt with by leaning from other country experiences.

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