

What Does the State Do for Indian Women?

This paper examines the budgets of the West Bengal government to study the share of the state's budgetary resources that accrued to women in its various schemes. It is obvious from the study that West Bengal has taken little initiative to promote true gender equality or to remove the barriers that prevent women from availing of public facilities offered by the state. Expenditure on education has not been sensitive to the special needs of girls. West Bengal's budgetary expenditure compared with its NSDP is lower than other major states. The government has not done much to improve its own resource position, complaining instead that it has been denied its due share in central revenues – a claim that does not stand up to scrutiny.

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The Indian state has always had policies specially targeted at women. For example, though its family planning policies were meant to reduce the rate of population growth, reducing maternal mortality was also its avowed goal. This has been reinforced by the post-Cairo declaration of state commitment to total reproductive health. Similarly, in education, women's literacy and girls' education are important policy concerns, which the 1986 education policy had brought to the forefront. Moreover, from the 1970s onwards, the government has talked about the need to improve women's employment status. The last two plans have linked this goal with the state's efforts to alleviate poverty. Apart from these major areas of policy concern, there are the numerous declarations made by politicians from time to time, such as help for widows, tribals, Muslim women, and working women. Given this, the state owes it to women to explain why there are, even now, areas of high maternal mortality, glaring gaps between the educational achievements of men and women, and why women's employment had suffered a setback.

To find answers to these questions, we need to look at the actual actions of the state, and not its promises or professions. There are grounds to suspect that many of these policy professions are never translated into actual resource commitments; or the commitments are so low as to become a tokenism. This conclusion can be arrived at from a close scrutiny of the actual budgetary measures under specific heads. The National Institute of Public Finance and Policy [NIPFP 2003] had done this exercise for the union budget and shown that the centre's expenditure on women through schemes whose beneficiaries could be identified by gender, was infinitesimally small compared with the total size of the budget or of the problems they were to tackle.

This paper has attempted a similar exercise on the budgets of the West Bengal government, but with a different and considerably wider perspective. It not only examines what the West Bengal government has to offer women of the state, but tries also to probe the state's motivation in doing so. It further compares the state's financial position with that of other major states and tries to locate the reasons why West Bengal's performance ranks among some of the poorest states.

This kind of study, based on state budgets, is of particular interest because, under the Indian Constitution, state governments are the main agents for providing several public services that are particularly important for women. It is the states that provide the major part of formal education, especially at the primary and secondary levels. The states also finance and administer the health and family planning services. Several central schemes for the poor such as the Indira Awas Yojana are run by the states in collaboration with the centre. Still others like the Swarnajayanti Gram Swarozgar Yojana, a special programme for poverty alleviation, which comes under the ministry of rural development, receives contributions from the centre as well as the states. The funds that the centre commits to these areas are channelled through the states, which administer the schemes.

Contrary to its image as a progressive and developed state, West Bengal's record on several aspects of such public programmes is far from satisfactory. For example, in 1998, the rate of maternal mortality in West Bengal per 1,00,000 live births was 266. For most developed states, it was significantly below 200; for Tamil Nadu and Gujarat, it was less than 100 [CSO 2002:26]. The states literacy rates improved significantly during the 1990s, but there was still a glaring gap between the literacy levels of men and women, especially in rural areas [Census 2001, Social and Cultural tables, West Bengal]. The dropout rates for girls in 1999 at primary levels were the worst among major states, barring the BIMARU states, and at the elementary school level, the only state performing worse than West Bengal was Bihar [GoI 2001].

Given these realities, our objective was two-fold: firstly, it attempted to check, as far as possible on the basis of reasonable assumptions, the share of budgetary funds that could be said to accrue to the women. Having done so, it sought answers to a few related questions. These were: was the poor performance of West Bengal compared with other major states due to its relatively difficult fiscal position? If so, was it due to the impact of the fiscal reforms introduced as part of the new economic policies since 1991? How did other Indian states cope with the resource crunch? Are there grounds to believe that West Bengal's

fiscal problems were due to what has been called the stepmotherly attitude of the central government?

Women's Share in Budget

Our first concern was to assess the actual impact of budgetary policies on women. Logically this should include both sides of the budget; that is to say, it should contain an assessment of women's contribution to budgetary resources as well as their share in budgeted expenditure. In developed countries such as the UK, which maintain fairly comprehensive records regarding payments of direct taxes and receipts of public benefits, this kind of exercise is possible, and indeed it is being done regularly [Commonwealth Secretariat 1999, Elson 1999]. In India, however, very few women are liable to pay income taxes; very few are in the organised sector where incomes can be assessed and taxed for direct levies, of these few, the majority earns too little to be assessable for direct taxes. On the other hand, the bulk of Indian tax revenue comes from indirect taxes. For state governments, the share of indirect taxes in total tax receipts in recent years is as high as 85 to 90 per cent. Since the incidence of indirect taxes tends to be regressive, it is possible that women do bear a relatively higher burden of such taxes, because the extent of poverty among women is somewhat higher [Banerjee 2000, Sundaram 2001]. To examine this possibility, we had attempted to estimate the distribution between men and women of the consumption of goods and services that attract indirect taxes. However, for the data on consumption expenditure that is available from the National Sample Survey Organisation's (NSSO) consumption expenditure surveys, the unit of collection and tabulation is a household. We could not find a method to separate the consumption by men and women within a household of each of the taxable commodities.¹

For the exercise of assessing women's relative share in the benefits emanating from budgetary expenditure, we located within the budget documents all those schemes that could be identified as being beneficent for women. In many of the more important ones, like education, the break-up between the genders was not given but could be worked out using some broad assumptions. This still left out a large part of the expenditure of state budgets, because that expenditure was claimed by schemes such as roads and irrigation for which it is difficult to sort out genderwise shares. It is to be noted that in these exercises benefit to the targeted group was assumed to be equivalent to the amount of expenditure. This assumption is not very sound since there are many leaks between what is allotted in the budget and what actually reaches the potential beneficiary. Nevertheless, the exercise was useful because it indicated the extent to which West Bengal was willing to commit resources specifically for women.

Schemes in budgets have often been classified [Budlander 2000] in the following three categories:

- Schemes where allotted funds are for the exclusive benefit of women;
- Schemes where women are supposed to receive a fixed share of the outlay;
- Other schemes, where they are to share the outlay equally with men.

The NIPFP study uses similar categories, though its last category talks of 'mainstream schemes, which have a gender

differentiated impact'. This still ignores the intentions of the policy makers, and remains largely a mechanical method that does little to explain the logic behind the thinking of policy-makers in making drawing up schemes.

In the West Bengal study, our intention was to judge public policies not just by the amount spared for women, but also by the objectives that the state intended to promote. Our categories were:

(1) *Relief schemes* - Which attempt to relieve some of the immediate problems of distressed women without trying to correct the causes of distress. For example, the GoI has initiated a relief measure that gives pension to distressed widows. However, it is now a well-researched fact that the frequent incidence of distress among widows is due to several structural problems built into the Indian social system [Mari Bhat 1999, Gulati 1999], the Indian state has taken no steps to deal with the systemic problems.

(2) *Gender-reinforcing schemes* - These are designed to emphasise women's biological and traditional roles as mothers, housewives and nurturers. This is illustrated not only by schemes for maternity benefits, but also by those for women's economic independence where jobs created are only for home-based work. In other words, they do nothing to break women's identification with housework.

(3) *Equity-promoting schemes* - They offer particular services to all citizens without any effort to overcome the traditional barriers against women participating in them on an equal basis. Under the Indian Constitution, governments are required to ensure that, in the provision of public services, there is no discrimination against a person on grounds of sex, race or creed. The state, therefore, does not deny women and girls entry into any facility of education and health. But such policies are not truly equality-promoting because they do nothing in particular to remove the extra handicaps that have traditionally prevented women from availing of these public facilities. In the classification we have used, this group includes expenditure on education and health, the two largest items in state budgets.

(4) *Equality promoting schemes* - These are sensitive to women's handicaps on gender grounds and try to compensate for them. For example, crèches help women to go for work; they also help girls attend school rather than look after siblings.

From the budget papers of the West Bengal government for 1998-99 and 2001-02, we were able to locate all schemes and heads where it was reasonable to claim that there were direct benefits accruing to women. Several of these were exclusively for women, while many others were designed on the assumption

Table 1: West Bengal Expenditure on Women
(Rs '000s)

Categories of Schemes	Number of Schemes	1998-99 Actual Expenditure	Share in Total Revenue Expenditure, 1998-99	2001-02 Actual Expenditure	Share in Total Revenue Expenditure 2001-02
Relief giving	10	2,48,431	0.17	3,36,350	0.14
Gender reinforcing	15	10,26,977	0.7	11,40,976	0.5
Equity promoting	23	1,38,60,869	9.7	2,10,67,364	9.0
Equality promoting	31	38,179	0.03	2,66,402	0.1
Total	119	1,51,74,456	10.6	2,28,00,792	9.7

Source: Budget documents of the government of West Bengal.

that women would get an equal share. There were no state government schemes where women were to get a fixed share. Of the schemes located, each had been mentioned in one or both the budgets, but this did not mean that there was some actual expenditure on each item every year.

In case of programmes where women were to share the benefits with men, we used certain assumptions to work out the share that women may have actually received. For example, to distribute the outlay on public schooling at the elementary level, we used the ratio between boys and girls who had completed primary and elementary schooling, thus allowing for dropouts before identifying actual beneficiaries. We also allowed for the difference in the proportion of girls and boys in the total school-age population. On this basis, the ratio of the shares of girls and boys in the expenditure under that head in the 2001-02 budget worked out to 47:53.3. This clearly indicates that there is still a significant bias in the distribution of benefits between girls and boys. Table 1 gives estimates of the state's expenditure for women in the two years.

In some cases, where there was no obvious indicator for calculating women's share, this was done by assuming that there was no overt bias against women in state policies. For example, under the head medical health, the expenditure was divided simply on the basis of the shares of males and females in the state population. Similarly, for Indira Awas Yojana, the expenditure was shared in proportion to the percentage of men and women in the adult population.

Altogether, even though the assumptions generally gave the benefit of doubt to the state government, and therefore tended to overestimate the state's commitment to women, the outlay that could reasonably be assumed to accrue to women was still no more than 9-10 per cent of the revenue expenditure. This was so even though women were allotted a reasonably large share in the expenditure on the state's schemes for mother and child welfare (category 2 of Table 1). In this case, it was highly probable that the bulk of the expenditure had gone into schemes for child welfare. Equity promoting schemes together got the largest share in the outlay for women; but, as shown earlier, in the expenditure on elementary education, an important component in that category, the share of girls, was not commensurate with the share of school-going population of girls.

We found many schemes that appeared to fall in the last category, namely, equality promoting, but together they amounted to very little in the overall budget. Lastly, it is to be noted that, between the two years, the share in total revenue expenditure of all these schemes taken together had declined significantly between the years 1998-99 and 2001-02.

Budget and New Economic Policy

West Bengal's women thus have lagged behind in these achievements in comparison with most other developed states in India. Despite this, the state does not seem to be making serious effort to alter the situation. Is this because of its financial difficulties? Were these difficulties due to the changes in fiscal policies as part of the new economic policies? Were these problems specific to West Bengal, or were all states equally affected by them?

In discussions about the new economic policies during the 1990s, the issue of their possible negative impact on the welfare

activities of Indian states had often been raised and the prognosis had been fairly gloomy. However, most of these discussions had little factual content and were largely confined to speculation. We aim to get some precise facts to settle the speculation; to do so, it seemed appropriate to focus on the budgets of state governments, which as mentioned before, are the main agencies for these activities. In this section, we have studied the budgetary trends in 14 major states of India during 1988-89 to 2001-02, which covers a period from before the onset of the new economic policies to the latest year for which we had data.

When the new economic policies were first launched, it had been widely apprehended that the altered fiscal regime would require some serious cuts in public expenditure at all levels of government. The new policies aimed to reduce the rates of direct and indirect taxes, and also cut down on fiscal profligacy. These measures together meant that there were some cuts in the central assistance to state budgets. State governments therefore would have had to cut down their activities in the welfare sector raised additional resources on their own. It is interesting to see how different states dealt with this situation.

State Expenditure

In the first few years after the new economic policies had been adopted, budgetary expenditures of most state governments declined somewhat in comparison with their net domestic products (NSDP). West Bengal also followed this trend for several years. However, by 1999-2000, the trend had been reversed in most states, including West Bengal (Table 2). But it is worth noting that, for the 14 states taken together, the share of total budgetary expenditure in the NSDP was much higher than that of West Bengal in all the years considered. In 1988-89, it was 23.1 per cent, and after a sharp decline for several years during the next decade, it ultimately started rising and stood at 26.1 per cent in 2001-02. In West Bengal, on the other hand, the figure was 17.5 per cent in 1988-89, and rose to only 19.1 per cent in 2001-02. In other words, West Bengal's growing prosperity² in that period was not reflected in the state's budgetary operations.

While figures in Table 2 refer to the total state expenditure on both revenue and capital accounts, we have considered only

Table 2: Total Budgetary Expenditure as Percentage of NSDP

State	1988-89	1996-97	1999-00	2001-02
Andhra Pradesh	23.6	20.0	20.6	24.5
Bihar	24.1	20.2	31.1	47.8
Gujarat	22.6	16.8	24.0	29.5
Haryana	21.1	25.4	20.1	19.6
Karnataka	24.2	20.5	21.0	20.6
Kerala	27.0	19.5	22.0	22.8
Madhya Pradesh	24.5	20.1	21.4	27.9
Maharashtra	19.9	16.1	18.0	19.1
Orissa	26.2	28.4	30.9	35.3
Punjab	22.7	19.2	21.8	26.2
Rajasthan	26.4	21.4	24.4	26.9
Tamil Nadu	22.6	19.2	19.2	20.4
Uttar Pradesh	21.5	18.8	22.5	25.6
West Bengal	17.5	17.5	18.9	19.1
All 14 states	23.1	20.2	22.6	26.1

Source: NSDP figures from CSO 1996 and *Economic Survey 2003*. Revenue expenditure figures from *RBI Bulletins* and CMIE reports on public finance.

revenue expenditure for the analysis that follows. Revenue expenditure is of two kinds, developmental and non-developmental. Developmental expenditure in turn comprises two sectors, economic services and the social sector. Our primary focus is on the latter since it covers many of the state's services oriented to the welfare of individuals. The social sector includes education, medical and public health, family planning, child welfare services, and nutritional programmes. Schemes for poverty alleviation are a part of the outlay on rural development, and this head is also included in the social sector by convention [Shariff et al 2002].

Table 3 gives figures of per capita revenue expenditure on the social sector as a whole and on its major components in 2001-02. It is evident that in 2001-02, which was the latest year for which we had data, West Bengal's performance was among the poorest. Its per capita expenditure on the social sector was lower than that of all states barring Bihar, Orissa, Madhya Pradesh and Uttar Pradesh. This was also the case regarding its per capita expenditure on education, the major component of the social sector.

How far was this a result of West Bengal following the new economic policy to cut down expenditure on social services? Table 4 gives index numbers (base =1993-94), for various states for 1990-91, when the reforms were initiated, and for 2001-02, the latest year for which data was available. It shows that West Bengal and Bihar were the only two states where the situation for the social sector as a whole had remained more or less at 1990-91 levels. There had been a slight dip in the middle of the decade, around 1993-94; but the improvement that took place in later years was far from remarkable. This was unlike the situation in most other states, for them, the 1990-91 figures were below that of the base year, 1993-94. This means that for these states the overall trend of actual expenditure on the social sector in real terms continued upwards regardless of the direction under the new economic policy. This does not, of course, rule out the possibility that, at least for some interim years, the rate of increase had slowed down.

Within the social sector, if one considers expenditure on education separately, the position is somewhat different. Particularly since 1993-94, (the base year for the index), the growth in West Bengal's expenditure on education was among the fastest, barring Punjab. To a certain extent, this was also true of the function medical health and family planning. This can only mean that for West Bengal, actual expenditure on other functions included in the social sector had declined very fast, much faster than in other states where there was an increase in the total outlay on the social sector. The other functions that consequently suffered a sharp decline during this period included vital areas of state action such as poverty alleviation and nutrition. This is particularly worrying in case of cuts in state expenditure on poverty alleviation, because it is a policy of the central government to fix its allocations for that function for a state in proportion to the state's own actual allocations. In other words, if state allocations are cut, then central contribution also gets scaled down. And, since the share of the union government is larger, the total cut works out to be more than the economies made by the state.

West Bengal then had increased its expenditure on education very fast in the past few years even though the absolute amount per capita lags far behind that in other developed states. That

probably explains its poor record, especially of its rural women and girls, in educational achievements.

State Policies and Educational Achievements

We probed West Bengal's educational policies a bit further to find some more reasons for the high dropout rates of girls, particularly at the elementary level. Two facts seemed to be connected with this phenomenon: one was the low percentage of women teachers at the primary and especially at the elementary levels. Even in 1999-00, West Bengal's percentage of women among teachers at the primary level was slightly better than only that of Bihar. At the elementary level, it was by far the lowest in the country. [Mehta 2001:101]. The second fact was that of the relative numbers in each state of habitation which had an elementary school. Here, the data was somewhat backdated and showed that, in 1993-94 [ibid], West Bengal's record of providing each habitation with an elementary school was again the poorest in the country.

A crude exercise testing whether or not girls' dropout rates at the elementary level were a linear function of the percentage

Table 3: Per Capita Actual Expenditure on Social Sector and Its Components, 2001-02
(in Rs)

State	Edu- cation	Medical/ Public Health	Rural Develop- ment	Total Social Sector	Rank as Per Col 2	Rank as Per Col 5
Andhra Pradesh	559	144	137	1149	9	8
Bihar	369	64	87	545	13	14
Gujarat	778	155	121	2450	5	1
Haryana	706	144	60	1331	6	6
Karnataka	692	177	113	1325	8	7
Kerala	933	215	291	1542	2	3
Madhya Pradesh	325	103	134	829	14	12
Maharashtra	900	147	56	1377	3	5
Orissa	497	107	76	936	11	11
Punjab	1141	299	57	1633	1	2
Rajasthan	696	142	62	1167	7	9
Tamil Nadu	825	176	115	1446	4	4
Uttar Pradesh	380	83	90	633	12	13
West Bengal	530	165	132	1042	10	10

Source: RBI Bulletins and CMIE public finance reports, 2003. Population figures are as per 2001 Census.

Table 4: Index Number of Per Capita³ Revenue Expenditure in Constant Terms – Selected Functions (1993-94=100)

State	Education, Sports and Culture		Medical and Public Health and Family Welfare		Total Social Sector	
	1990-91	2001-02	1990-91	2001-02	1990-91	2001-02
Andhra Pradesh	97.7	158.9	89.3	146.8	99.2	168.0
Bihar	124.5	146.1	98.0	105.8	98.1	98.3
Gujarat	94.0	150.9	98.5	137.2	89.4	301.6
Haryana	101.0	161.2	119.0	183.9	105.5	191.6
Karnataka	105.4	154.4	89.3	163.9	91.3	163.9
Kerala	94.4	151.2	104.4	147.2	101.1	181.5
Madhya Pradesh	104.7	111.6	97.4	132.8	96.3	108.8
Maharashtra	92.9	160.8	98.7	126.3	89.3	146.4
Orissa	94.0	123.3	105.3	146.8	89.4	135.5
Punjab	105.4	179.4	104.7	191.1	110.3	213.1
Rajasthan	94.8	146.6	93.9	130.7	97.9	169.7
Tamil Nadu	103.0	161.6	124.4	134.8	78.2	149.3
Uttar Pradesh	128.7	145.3	97.3	103.6	124.5	148.2
West Bengal	120.1	161.6	122.5	158.7	118.9	118.3

Source: Expenditure figures from RBI and CMIE reports.

of female teachers (fitted over data for the 14 states for 1999-00) at that level, showed a strong negative relation between the two. That is to say, the low percentage of female teachers did appear to be a significant factor contributing to the high rate of dropout of girls from elementary level schools. A similar exercise to explain dropout rates in terms of the percentage of habitations with elementary schools, however, did not yield satisfactory results. It is possible however, that the state's low percentage of female teachers at that level may be connected with the lack of such schools within easy reach of each habitation.

Economic Analysis of Educational Budget

In another attempt to explore the links between the state's expenditure on education and its educational achievements, we did an economic analysis of its budgetary expenditure on the function. Table 5 gives the analysis for 1991-92 and 2001-02. It shows that the increase in the state's educational expenditure during the period was overwhelmingly due to increases in salaries and wages as well as grants for salaries in government-aided schools. The category 'others' is also of the same kind; it refers to the pensions and benefits of retired teachers. What the table means is that, the state's commitments for remunerations of those teachers already in employment increased phenomenally. It left little scope for expanding public facilities in the field any further. The trend was probably due to the general hike in teachers' salaries in the wake of the Second Pay Commission report of 1996.

One other aspect of state budgetary trends during this period is worth noting. As mentioned before, development expenditure includes two kinds of heads, social services and economic services. Given that states have managed to maintain the level of expenditure on social services and even increase it, did they do the same with expenditure on economic services? Table 6 shows that for all states the share of developmental expenditure as a whole in total revenue expenditure in 2001-02 was lower than that in 1988-89. However, in the first half of the 1990s, economic services and social services had shared the fall in the total in almost equal measure. But, by 2001-02, the share of the social services had begun to rise, which meant that in the declining allocations to all development expenditure heads taken together, the share of economic services had shrunk faster.

The fall in the share of developmental expenditure implies that non-developmental expenditure had been rising faster than the total revenue budget. For West Bengal, this section had always been somewhat larger than the average for the 14 states. Of its components, the one that had been growing fast was that of charges for debt servicing and interest payments (Table 7). By 2001-02, these charges claimed nearly 30 per cent of the total revenue budget in West Bengal. These charges had grown in all states, but it was only in Orissa, West Bengal and Uttar Pradesh that they claimed such a large share. Two possible trends could have brought this about: one, that the state had relied more on borrowing than other sources of income to meet its commitments. Alternately, the overall revenue incomes of those states had been growing slowly in spite of their increased borrowing. In other words, West Bengal and the other two states had been particularly hard pressed for resources. What were the possible reasons for this?

Revenue Incomes of States

What were the reasons for West Bengal in particular facing such a severe resource crunch?

States get their revenue incomes from four sources: (1) receipts from their own taxes, (2) receipts from their own non-tax sources (such as through sale of transport services), (3) their share in the receipts of specified central taxes, and (4) statutory

Table 5: Percentage Distribution by Economic Categories of Outlay on Education, 1991-92 and 2001-02

Category	1991-92	2001-02	Per Cent Change between 1991-92 and 2001-02
Salaries and wages	3.5	5.1	223.7
Grants for salaries	85.6	90.0	134.7
Other grants	3.1	3.1	-7.9
Scholarships	Neg	Neg	Neg
Others	1.7	1.7	212.1
Total (Rs crore)	1,331.09	2,972.2	123.0
	(100 per cent)	(100 per cent)	

Source: Budget documents, West Bengal.

Table 6: Percentage Share of Developmental Expenditure, and Spending on Social Services in Total Revenue Expenditure

State	1988-89		1993-94		2001-02	
	Total Development	Social Sector	Total Development	Social Sector	Total Development	Social Sector
Andhra Pradesh	73.8	38.2	68.2	36.8	61.0	34.1
Bihar	68.7	41.0	62.8	33.0	48.6	34.5
Gujarat	73.0	38.0	71.6	33.7	73.6	42.4
Haryana	71.2	39.3	63.9	42.6	59.4	31.0
Karnataka	68.4	40.9	67.3	38.3	63.0	34.5
Kerala	65.3	46.8	60.2	41.4	56.2	36.8
Madhya Pradesh	71.0	40.2	69.8	35.6	54.4	33.8
Maharashtra	69.3	35.8	56.3	29.0	47.3	36.0
Orissa	65.3	39.0	65.6	38.0	46.2	32.7
Punjab	69.7	47.3	52.2	28.4	43.4	28.0
Rajasthan	69.5	38.1	66.3	37.2	55.1	40.2
Tamil Nadu	72.6	41.6	70.3	41.0	57.3	36.6
Uttar Pradesh	65.6	35.2	57.0	30.5	44.0	30.7
West Bengal	66.3	43.0	62.1	39.1	52.0	35.5
All 14 states	69.3	39.4	64.0	35.0	54.4	34.8
Index No	100.0	100.0	92.3	88.8	73.3	80.6

Source: RBI Bulletin, various issues.

Table 7: Interest and Debt Service Charges – Increase from 1991-92 to 2001-02 and Share in Total Revenue Expenditure in 2001-02

State	Per Cent Increase in Total 1991-92/2001-02	Per Cent Increase in Share in Revenue Exp	Per Cent in Total Revenue Exp 2001-02
Andhra Pradesh	643.0	81.5	19.6
Bihar	202.4	34.3	23.4
Gujarat	472.6	36.0	14.2
Haryana	456.2	40.1	19.9
Karnataka	402.4	25.4	14.3
Kerala	399.1	24.0	18.6
Madhya Pradesh	304.2	49.1	16.7
Maharashtra	362.0	27.0	17.9
Orissa	527.0	60.0	29.3
Punjab	679.9	134.9	20.2
Rajasthan	546.5	63.3	24.5
Tamil Nadu	455.6	98.5	13.5
Uttar Pradesh	460.4	70.9	31.1
West Bengal	726.4	87.7	29.1

Source: RBI and CMIE Reports.

grants-in-aid received from the central government. The approximate shares of the four sources can be illustrated for 2002-03 as follows:

- West Bengal government had budgeted for total revenue receipts of around Rs 15,900 crore. Of this total;
- 46 per cent of the receipts were to come from the state's own taxes;
- Receipts from the state's own non-tax sources would contribute about 6.6 per cent;
- The state's share in central tax receipts were expected to amount to 31.55 per cent;
- Grants-in-aid from the central government would cover the remaining 15.7 per cent;
- Though all the states got their incomes from these same sources, the shares of the different sources were not the same in their total revenue incomes. Also, over the period under consideration, changes in the situation of each state had not always been in the same direction.

Table 8 shows the per capita own tax receipts of states in current and constant terms (1993/94 = 100) for selected years. In all the other states considered, tax receipts went up both in current and real terms. The table also shows the percentage increase in per capita real and current tax receipts between the two years. In that period, most states, with the exception of West Bengal, had made some effort to raise more taxes. Several states, notably Tamil Nadu and Kerala, which were not among those with the fastest growing NSDP, had managed to raise their own per capita real tax revenue by over 100 per cent. In contrast, West Bengal's own tax receipts in real terms actually fell in the decade since 1988-89. From 1998-99 to 2001-02, the state did increase receipts, but its rate of increase was one of the slowest, barring Bihar. Given the remarkable stability and continuity of West Bengal's Left Front government, it is rather surprising that the state has not made greater efforts to collect more taxes from its population.

Instead of acknowledging and explaining its own poor performance at tax collection, the West Bengal government has often laid the blame for its tight finances on the central government, claiming that it has been deprived of a share on par with other states in the central disburseable pool. How far is this claim justified?

A state's revenue receipts from the central government come either as a share in a divisible pool of receipts from certain centrally collected taxes or as statutory grants-in-aid. On the advice of the union government, the president appoints a Finance Commission once in every five years. This commission lays down the principles that determine for the next five years the size of the pool of divisible tax receipts and the share of each state in it. It is also the Finance Commission that decides on the amount of grants that each state is to receive during those five years. The principles determining a state's share in tax receipts give some weight to the relative yield of those taxes from each state. This tends to favour richer states over poorer ones. On the other hand, to determine the amount of grants awarded to each state, the commission places importance on the relative resource position of the state and its needs.⁴ These considerations tilt the balance of devolution in favour of poorer states. From time to time, various commissions have altered the relative importance in the award of the pool of divisible tax receipt and of grants-in-aid. At the same time, the centre has changed the rates and coverage

of taxes that go in the divisible pool. As a result, there are varying trends observable in the receipts accruing from the centre to various states in different years.

Table 9 shows the per capita total revenue receipts of each state for selected years during the period under consideration. In the initial year, West Bengal had received larger per capita amounts than most states barring the three poorest states of Uttar Pradesh, Bihar and Madhya Pradesh. In 1993/94, apart from the poorer states, Maharashtra and Andhra Pradesh also got larger grants than West Bengal, perhaps because of the weight of collection of direct taxes from there. Towards the end of the decade, once again, allocations to West Bengal had risen over those for most other states; Uttar Pradesh and Bihar and,

Table 8: Per Capita Own Tax Revenue – Selected Years and Increase between 1988-89 and 2001-02, in Current and Constant Terms (1993-94=100)
(in Rs)

State	1988-89 Cur- rent	1998-99 Cur- rent	2001-02 Cur- rent	1988-89 Cons- tant	1998-99 Cons- tant	2001-02 Cons- tant	In- crease* Cur- rent	In- crease* Cons- tant
Andhra								
Pradesh	339	1091	1545	558	770	955	356	71
Bihar	102	258	307	168	182	190	201	13
Gujarat	445	1594	2131	733	1125	1132	379	54
Haryana	516	1584	2431	850	1118	1502	371	77
Karnataka	399	1377	1994	657	972	1232	400	88
Kerala	380	1499	2309	626	1058	1427	507	128
Madhya Pradesh	215	660	861	354	466	532	300	50
Maharashtra	516	1554	2476	850	1097	1530	380	80
Orissa	147	423	632	242	299	391	330	62
Punjab	541	1413	2448	891	997	1513	352	70
Rajasthan	217	747	1101	357	527	680	407	90
Tamil Nadu	372	1598	2302	613	1128	1423	519	132
Uttar Pradesh	158	482	767	260	340	474	385	82
West Bengal	271	623	988	446	440	611	264	37

Note: * Percentage increase is between 1988-89 and 2001-02.
Source: RBI Bulletins and CMIE reports.

Table 9: Central Share in Total Revenue Receipts: Interstate Comparison, 1988-89 to 2001-02
(Rs crore)

State	1988-89		1993-94		1998-99		2001-02	
	Actual	Per Cent in Rev Receipt						
Andhra								
Pradesh	1332.6	31.1	3066.1	37.2	4451.2	31.2	7840.8	35.0
Bihar	1817.2	52.1	3993.9	60.2	5454.5	58.8	8568.9	74.11
Gujarat	791.8	24.5	1689.5	24.0	2360.5	18.5	5706.4	27.9
Haryana	290.9	20.2	551.9	15.9	841.0	15.4	1226.4	15.4
Karnataka	819.4	27.6	1778.7	28.1	2817.5	25.1	5173.2	30.4
Kerala	650.2	34.3	1254.0	32.0	1990.9	27.7	2441.4	23.0
Madhya Pradesh	1423.2	41.0	2988.9	42.3	4455.3	39.3	5758.1	46.7
Maharashtra	1330.2	21.4	2907.6	22.4	3962.0	18.2	4868.6	14.5
Orissa	914.9	59.0	1932.4	60.2	2509.8	55.1	4879.5	61.0
Punjab	362.5	22.3	712.9	21.8	985.8	17.1	1891.3	16.7
Rajasthan	1096.8	46.6	2465.3	44.0	3286.6	38.3	5356.8	40.6
Tamil Nadu	1160.0	33.2	2560.9	31.7	3478.8	24.4	5119.8	24.6
Uttar Pradesh	2881.8	51.0	6281.9	51.8	7993.5	46.0	15618.6	51.8
West Bengal	1411.9	42.3	2699.9	45.6	4227.7	45.0	7809.3	46.7

Source: RBI, various issues; CMIE, various issues.

marginally, Andhra Pradesh were the only states that fared significantly better. All in all, it appears that, at least on the revenue account, there was no reason to conclude that West Bengal had been particularly disadvantaged.

The table also shows the shares of central allocations in the revenue receipts of each state. It is obvious that increasingly many states had made efforts to reduce their dependence on central allocations for their revenue receipts. But for some of the poorest states, particularly Bihar and Orissa, the share of central funds in total receipts had increased to exceedingly high levels. For Bihar in 2001-02, those receipts accounted for three quarters of its total receipts; for Orissa, the share was over 60 per cent. Surprisingly, in spite of its level of development, West Bengal too depended on central allocations for nearly half of its revenue receipts. On the whole, there seems no evidence to support the claim that the state had faced discrimination in central revenue allocations during this period.

Conclusion

This entire project was to illustrate how far gender budget exercises, despite their limited scope, can highlight the lacunae in state policies. They bring out the reality of state policies for women's empowerment. If the actual expenditure by the state on apparently women-friendly schemes is compared with the extent of the needs of women, whether it be in education, widow relief or poverty alleviation, it shows clearly the inadequacies of state efforts and of the actual commitment of policy makers to the idea of women's empowerment.

Furthermore, classifying public schemes in the way we have done for Table 1 makes it clear that, so far, West Bengal has taken little initiative to promote true gender equality. It has mainly carried out the constitutional directive of not denying women equal access to all public facilities, but it has done little towards removing the barriers that prevent women from taking advantage of those facilities. Classifying the schemes prompted us to take a closer look at the state's expenditure on education – at what was being done to correct the state's poor record of retaining children in school. We found that, in its expenditure on public education services, the state has not been sensitive to the special needs of girls. Though the dropout rates for girls and, for that matter, also of boys are unacceptably high, West Bengal has paid little heed to the lacunae in the system. Although the state boasts of the wide spread of higher education among its women, it has not used their services as teachers to ensure that girls stay on in school. Thus, though the budget mentions schemes for hostels for Muslim girls, or appointment of women teachers in educationally backward areas, the actual budgetary allocation for these schemes is either non-existent or negligible.

A comparative study of West Bengal's budgetary position with those of other states has highlighted the opportunities for development that the state has missed during the post-reforms period. Our comparisons showed that its total budgetary expenditure compared with its NSDP remained low in comparison with the average for the major states. Within that limited amount, the burden of debt servicing was rising fast. This was because, in spite of rising state income and a stable political regime, the state government had made few efforts to improve its own resource position. Instead, it had come to rely increasingly on borrowings

to cover its expenditure. Its complaints about being denied a due share in central revenues also does not stand up to scrutiny. Particularly, in recent years, awards of the Finance Commissions appear to have been fully sympathetic to the state's needs. It is time that the West Bengal government takes a hard look at its efforts to promote development, and takes positive steps to remove the barriers that prevent its women from reaching true equality. **EW**

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Notes

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- 1 These efforts to work out consumption expenditure of men and women on the basis of NSSO's consumption expenditure data were mainly carried out by Mukul Mukherjee.
- 2 West Bengal's state NSDP was growing faster than most other states during this period, and in most years it was next only to that of Karnataka [CSO 1996, GoI 2001].
- 3 For working out per capita figures, the population of each state for the years between 1988-89 and 1999-2000 was worked out by applying the average rate of growth in that state from 1981 to 1991.
- 4 Indicators of the relative need of a state comprise, among others, the size of its population and the relative incidence of poverty in the region.

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