Prof. P. R. Panchamukhi Endowment Lecture 2026
7th September 2026 at 4.00 pm

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**on**

# "Does Child Gender matter for India's Budgeting? Evidence and Policy Implications for Child Development"

**by**

## Prof. M. R. Narayana, Fiscal Policy Institute, Bengaluru

## 7th September 2026 at 4.00 pm
## in the Seminar Hall of the CMDR

***Executive Summary***

*The lecture addressed the central question: "Does child gender matter for India's budgeting?" concluding affirmatively with strong policy implications. Both the Government of India and the Government of Karnataka prepare child budgets and gender budgets separately, but neither document currently integrates a gender lens into child budgeting or a child lens into gender budgeting. A methodology was proposed and demonstrated to estimate the share of budget allocations directed toward female children by mapping child budget schemes to gender budget schemes. Karnataka's per capita child spending is approximately 10 times higher than the national average, and its gender budget allocation as a share of state income (~2%) significantly exceeds the national level (~0.5% of GDP). Approximately 50% of Karnataka's total child budget allocation was estimated to benefit female children using the direct child budget approach. The private sector contributes an estimated 80% of India's child development expenditure, while the government accounts for only about 20%. Key policy recommendations include developing age- and sex-disaggregated beneficiary data, standardizing methodology across states, and integrating gender dimensions into child budgets and vice versa.*

The Director opened the session by welcoming participants from various institutions. Director, Introduced the endowment lecture series and acknowledged Professor P. R. Panchamukhi's foundational contributions to multidisciplinary research and educational economics, noting that CMDR was established in 1976 and registered in 1980 with support from the Indian Council of Social Science Research and the Ministry of Education, Government of India and Department of Higher Education, Government of Karnataka. The previous endowment lectures were delivered by eminent scholars including Dr. R. S. Deshpande, Professor Usha Mukhti, Professor Dilip Nachane, Professor A. Nadakarni, and Professor Pradeep Apte, among others. The lecture was framed as a significant academic event connecting fiscal policy, child development, and gender equity. Participants were encouraged to note questions for a question-and-answer session following the presentation.

Dr. Jai Prabhakar provided a detailed introduction of the keynote speaker. Professor Muthu Rajanathan Narayana is a distinguished macroeconomist with over 35 years of academic and research experience. He currently serves as an Academic and Research Consultant at the Fiscal Policy Institute of the Government of Karnataka since April 2018. He earned his PhD from the University of Tsukuba, Japan, on a Japanese Government Scholarship. He has held professorships at the Institute for Social and Economic Change (ISEC), Bengaluru, and visiting professorships at the University of Tokyo, University of Victoria (Canada), and the University of Mysore (Planning Commission Chair). He has guided 19 PhD students, published over 250 research papers, and his research spans applied macroeconomics, fiscal policy, revenue management, and child budgeting. Professor M. R. Narayana was recognized as a leading authority on child budgeting, gender budgeting, and demographic dividends.

## Extended summary of the endowment Lecture

Professor M. R. Narayana initiated with a detailed background of his current institutional affiliation. The Fiscal Policy Institute is a directorate under the Finance Department of the Government of Karnataka. Over 90% of its activities involve training senior government officers in public finance and financial management. It also conducts academic research through research fellows, associates, and interns, producing approximately 25 research reports annually. It publishes a biannual journal called the FPI Journal of Economics and Governance. Crucially, it serves as the nodal agency for preparing the Child Budget and Gender Budget volumes of the Government of Karnataka. The Fiscal Policy Institute occupies a unique position at the intersection of government policy and academic research, giving it direct access to budgeting processes.

The resource person introduced and framed the core research question of the lecture Does Child Gender Matter for India's Budgeting?. A child is defined as any person up to the age of 18 years. Child gender refers to whether the child is male, female, or transgender. The central question is whether the gender of a child has any significance for government budgeting decisions. Budgeting based on child gender differs because equity, not just equality, is required. Girls and boys face different needs, and government budgets should reflect those differences. Confirmed this as a valid justification and noted that the answer, while affirmative, is not straightforward because existing budget documents do not provide a direct answer. The question is both academically significant and practically important for policy reform. Existing child budgets lack a gender lens, and existing gender budgets lack a child-specific lens, creating a research gap that the lecture aimed to address.

The rationale for government intervention in child development, was explained with why government budgeting for children is necessary. Four key dimensions of child development are education, health, security, and participation. Without government intervention, disadvantaged groups, the poor, those in remote areas, and marginalized communities, would have no access to schools or healthcare. Government hospitals and public schools are essential for equitable child development. He noted that his own education from early childhood to his current position was entirely funded by the government. Government intervention is essential to ensure equal access and opportunity across all dimensions of child development, particularly for disadvantaged groups.

**Demographic Dividend and Child Development**

The demographic dividend as a key justification for investing in children. Investing in children today yields economic dividends in the future. Children who grow up healthy, educated, and gainfully employed contribute to income, savings, investment, and ultimately economic growth, a process termed the demographic dividend. Population projections from 2020 to 2100 show that child and youth populations will decline, while adult and elderly populations will grow. Despite this decline, India's working-age population remains sizable compared to other countries, making child investment strategically important. The fiscal policy perspective on child development is grounded in the demographic dividend framework. Declining child populations make quality investment in children even more critical.

With regard to structure and analysis of India's child budget (Government of India), he presented a detailed analysis of the Union Government's child budget. The Government of India classifies child schemes into three categories: Category A (100% child beneficiaries), Category B (30–99% child beneficiaries), and Category C (less than 30% child beneficiaries). For 2025–26, approximately 76% of child budget allocations fall under Category A. Child spending as a share of GDP is less than 0.5%, equivalent to spending only 0.33 rupees per 100 rupees of national income on children. Per capita child spending is approximately 2,500 rupees, and this figure is rising not due to increased allocations but due to declining child population. Education (school education) accounts for approximately 66% of total child budget allocations. Other sectors include health and family welfare, tribal welfare, women and child development, social justice and empowerment, and minority welfare.one of the participant noted that the gender budget for 2025–26 is approximately 5 lakh crore, representing 9.37% of the total Union Budget, up from 8.87% the previous year. The child budget is dominated by education spending. Public commitment to children, measured as a share of GDP, remains very low at the national level. Rising per capita child spending is largely an artifact of declining child population rather than increased generosity.

The structure and analysis of Karnataka's child budget was compared Karnataka's child budget structure with the national framework. Karnataka's child budget was introduced in 2020–21 after the Finance Department was convinced of the need for a consolidated view of child-related expenditures across departments. Karnataka classifies child programs into 100% child-centric programs and non-programs, and those with less than 100% child focus, broadly corresponding to the Government of India's A, B, and C categories. Karnataka spends approximately 15% of its total state budget on children, compared to a lower share at the national level. As a percentage of State Domestic Product, Karnataka spends approximately 2% on children. Per capita child spending in Karnataka is approximately 10 times higher than the national average. Education accounts for approximately 66% of Karnataka's child budget allocations. Karnataka's child budget performance compares favorably with other states including Odisha, Maharashtra, and Rajasthan. One of the participant suggested that higher state-level spending may reflect the fact that education and health are state subjects. The resource person acknowledged this point and noted the 60:40 division of centrally sponsored schemes as a limiting factor in direct comparisons. Karnataka demonstrates significantly higher public commitment to child development than the national average. The child budget enables prioritization and reprioritization of allocations across departments for child development.

Professor M. R. Narayana reviewed the structure and analysis of gender budgets (India and Karnataka) and the gender budget frameworks at both national and state levels. The gender budget has no age limit, it covers all schemes benefiting women, including female children. The Government of India's gender budget for 2025–26 represents approximately 9% of the total Union Budget. The gender budget is larger than the child budget in terms of number of schemes (316 schemes vs. 190 schemes at the national level). Karnataka's gender budget also uses a classification system (AY, AN, BY, BN) that broadly corresponds to the national A, B, C categories. Public commitment, generosity, and per capita spending are all higher in the gender budget than in the child budget, at both national and state levels. However, neither the child budget nor the gender budget allows direct identification of allocations specifically for female children. The gender budget is broader and better funded than the child budget but does not disaggregate allocations by child age group. A critical gap exists: child budgets lack a gender lens, and gender budgets lack a child-specific lens.

Professor M. R. Narayana presented the core methodology for mapping child budget to gender budget to estimate female child allocations for the young researchers. At the national level, 190 child budget schemes were mapped against 316 gender budget schemes. Only 3 of Category A, gender budget schemes could be mapped to child budget schemes. Approximately 83 child budget schemes had no correspondence in the gender budget. For mixed-gender schemes, the share of female child population in total child population was used as an apportionment factor. The result is, at the all-India level, only approximately 23% of the child budget allocation can be attributed to female children using the gender budget mapping approach. At the Karnataka level, 364 child budget programs were analyzed. Only 7 programs are exclusively for female children; 2 are exclusively for male children; the remainder are mixed-gender. Using the direct child budget approach, approximately 50.11% of Karnataka's child budget allocation goes to female children. Using the gender budget mapping approach, the estimate is approximately 45.72%. The direct child budget approach yields a higher and more reliable estimate because more schemes are identifiable within the child budget itself.

A practical methodology has been developed to estimate gender-disaggregated allocations within child budgets. Karnataka's allocation to female children (~50%) exceeds the proportion of female children in the total child population, indicating a relatively favorable gender allocation. The methodology is approximate and sensitive to assumptions, but provides a useful policy tool.

Policy implications of the research findings include Gender does matter for India's government budgeting, and this finding has strong implications for introducing gender dimensions into child budgets and child dimensions into gender budgets. As child populations decline, failure to maintain or increase allocations for female children will have adverse welfare consequences for gender equity and women's empowerment. The most important reform needed is the development of beneficiary data disaggregated by age and sex for all schemes in the child and gender budgets. The Government of India should share its budgeting methodology with state governments to enable comparability across states. Currently, different states follow different methodologies, making interstate comparisons unreliable. Outcome assessment and impact evaluation of child and gender budget allocations must be integrated into the budgeting process. Introducing gender into child budgets and children into gender budgets is both feasible and necessary. Standardization of methodology and development of disaggregated beneficiary data are the most urgent policy priorities.

**Remarks by Professor P. R. Panchamukhi**
Congratulated Professor M. R. Narayana for an excellent and insightful presentation. Noted that Karnataka fares well in gender-oriented child budgeting compared to other states. Raised the importance of intersectoral linkages, for example, transport sector allocations have significant implications for female children's access to schools and workplaces, particularly for the vulnerable under-18 age group. Suggested that allocations for other age groups, including the elderly, also indirectly affect children's welfare and should be considered in a comprehensive analysis. Cautioned that rising percentage allocations to children may be an "optical illusion" caused by declining child population (shrinking denominator), and that per capita figures must be examined alongside percentages. Recommended that the analysis be extended to consider both government budgets and family (household) budgets for a complete picture of child welfare financing. Highlighted that Karnataka is not a homogeneous state,

North Karnataka is historically less developed than South Karnataka, and that regional disaggregation of gender-oriented child budget allocations would be valuable. Expressed that the lecture made him feel intellectually rejuvenated at age 86, and expressed pride in the endowment established by his students.

Intersectoral, intergenerational, and regional dimensions should be incorporated into future research on child gender budgeting. The combination of government and household budget data would provide a more complete picture of child welfare financing.

**Question and answer session and discussion**

The issue of grassroots awareness was raised, noting that even after 20 years of gender budgeting, awareness at the district and village level remains very low. Professor M. R. Narayana confirmed that intersectoral linkages (e.g., transport) are already partially reflected in both child and gender budgets. Cited Karnataka's Shakti scheme (free bus rides for women and girls) as an example of transport policy directly supporting gender participation. Acknowledged that the allocation for the elderly competes with child allocations in government budgets, referencing the RBI State Finances report on demographic transition impacts. Noted that the private sector contributes approximately 80% of India's child development expenditure, while government contributes only about 20%, a dimension not captured in government budget analysis. Referenced the Heckman Curve, which demonstrates that early childhood investment yields the highest returns for adult outcomes, suggesting that budget allocations should prioritize early childhood education. Acknowledged that dissemination of child and gender budget frameworks to the district and village level remains a significant policy gap, noting that an earlier initiative in Karnataka to prepare child and gender budgets at the village level did not succeed. Agreed that outcome and impact assessment of budget allocations must be integrated into the budgeting process.

Intersectoral, intergenerational, and private sector dimensions are important extensions for future research. Grassroots dissemination of child and gender budget frameworks remains an unresolved challenge. Early childhood investment should be prioritized based on evidence from the Heckman Curve.

**The lecture highlighted the following challenges**

- **Absence of gender disaggregation in child budgets:** Neither the Government of India nor the Government of Karnataka's child budget currently distinguishes between allocations for male and female children, making it impossible to directly assess gender equity in child spending.
- **Absence of child-specific lens in gender budgets:** Gender budgets do not disaggregate allocations by child age group, preventing identification of how much is spent specifically on female children.
- **Lack of standardized methodology across states:** Different state governments follow different methodologies for child and gender budgeting, making interstate comparisons unreliable and limiting policy learning.
- **Absence of age- and sex-disaggregated beneficiary data:** No publicly available, comprehensive beneficiary database disaggregated by age and sex exists for schemes in the child or gender budgets, forcing researchers to rely on approximations.
- **Low grassroots awareness:** Despite over 20 years of gender budgeting in India, awareness and implementation at the district and village level remain very limited. An

earlier initiative to prepare child and gender budgets at the village level in Karnataka did not succeed.

- **Declining child population creating optical illusion:** As child populations decline, per capita and percentage allocation figures may appear to improve without any real increase in budgetary commitment, potentially misleading policymakers.
- **Private sector and household contributions not captured:** Approximately 80% of India's child development expenditure comes from the private sector and households, but this is not reflected in government budget analyses, leading to an incomplete picture of total child welfare financing.
- **Outcome and impact assessment not integrated into budgeting:** Monitoring and evaluation of the outcomes of child and gender budget allocations are not systematically linked to the budgeting process.

**Professor M. R. Narayana suggested the following action items**

  - Share the full research paper underlying the lecture presentation with CMDR for distribution to participants and further academic engagement.
  - Extend the research methodology to incorporate intersectoral linkages (e.g., transport, elderly welfare) and their implications for female child welfare.
  - Develop and propose a framework for age- and sex-disaggregated beneficiary data collection for all schemes in the child and gender budgets.
  - Explore the integration of demographic dividend and gender dividend dimensions into child and gender budgeting frameworks.
  - Investigate the feasibility of incorporating household and private sector expenditure data into a broader child welfare financing model.
- **For government of India**
  - Share the official methodology for child budget and gender budget preparation with all state governments to enable standardization and interstate comparability.
  - Develop and publish age- and sex-disaggregated beneficiary data for all schemes included in the child and gender budgets.
- **For government of Karnataka / Fiscal Policy Institute**
  - Revive and operationalize the initiative to prepare child and gender budgets at the district and village (gram panchayat) level.
  - Integrate gender dimensions into the child budget and child-specific dimensions into the gender budget in future budget volumes.
  - Develop outcome and impact assessment frameworks linked to child and gender budget allocations.

Dr. A. R. Kulkarni extended gratitude to Professor P. R. Panchamukhi for his gracious presence and inspiring words. Thanked Professor M. R. Narayana for a thought-provoking lecture on child gender budgeting. Acknowledged Professor Kailash Chandra Sharma, Chairman of the Governing Council of CMDR, for his continued support. Thanked Professor Basavaprabhu Jirli for organizing the event. Faculty from JSS College and other institutions, and CMDR faculty members including Professor Bramhananda, Dr. Jai Prabhakar, Dr. Siddalinga Swami, Dr. Narayan Billava, Dr. Dundapa, and Dr. Prateek Mali, as well as all research scholars and students in attendance.

The event was concluded with appreciation for all participants and an acknowledgment of Professor P. R. Panchamukhi's enduring intellectual legacy.

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