

## CONFERENCE

### ‘GENDER EQUALITY AND EUROPE’S FUTURE’

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### **Gender mainstreaming and gender budgeting** (preliminary draft)

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#### **Introduction**

The EU is committed to the promotion of gender equality by means of a strategy of ‘gender mainstreaming’.

Gender budgeting initiatives contribute to ‘gender mainstreaming’ by focusing on the gender dimensions of government budgets, both the revenue and the expenditure side. Such initiatives are taking place in a number of EU countries at national and at regional levels. Gender equality considerations have also been introduced into the regulations and guidelines of the European Structural Funds and a review has been conducted of the gender dimensions of tax/benefit systems in EU countries.

This paper gives a short introduction to gender mainstreaming in the EU and to some of the key ideas and tools of gender budgeting. The aim of the paper is not an exhaustive review of the practice of gender budgeting in the EU- time and resources were not available for that. The appendix provides a brief guide to some of the gender budgeting initiatives taking place in EU countries . It cannot hope to be exhaustive, as new initiatives are taking place all the time. There is an urgent need for a project to link all the gender budget initiatives in EU countries , to enable them to learn from each other, identify and share good practices, and evaluate achievements; so as to be able to transmit this knowledge in the future to new EU members.

#### **Gender mainstreaming in the EU**

Gender mainstreaming means moving gender equality concerns from the backwaters and side streams into the mainstream. Instead of having separate policies for gender equality; or adding –on gender equality concerns to already formulated policies, programmes and procedures ; a gender perspective is introduced from the beginning into all policies, programmes and procedures.

This approach was adopted by the Commission in 1996, when the commitment was made to incorporating equal opportunities for women and men into all Community policies and activities. This entails ‘not restricting efforts to promote equality to the implementation

of specific measures to help women, but mobilising all general policies and measures specifically for the purpose of achieving equality by actively and openly taking into account at the planning stage their possible effects on the respective situation of men and women' (see Communication : 'Incorporating equal opportunities for women and men into all Community policies and activities' COM( 96)67final ).

This has been the foundation of subsequent work by the Commission on gender equality. Examples include the European Employment Strategy; the research policy; the guidelines for the European Structural Funds; and a study on the impact of the tax/benefit systems of EU countries on women's work. The Commission has developed gender impact assessment tools, gender specific statistics, and gender equality indicators and benchmarks.

The reform of the regulations for the European Structural Funds for the period 2000/6 provided an opportunity to integrate a gender perspective. (The Funds are the main source of EU financial support for regional and local economic development and labour market integration). The reformed regulations include requirements that :

- activities financed by the fund contribute to elimination of gender inequalities;
- monitoring committees have balanced participation of women and men;
- key monitoring indicators be dis-aggregated by sex;
- an ex ante evaluation of gender impact be conducted;
- equal opportunities be used as one of the criteria for fixing the level of financial contribution by the Community and for allocating the reserve fund between regions within each member state.

The progress of gender mainstreaming in the EU was considered at an Expert Meeting on Gender and Equality held in May 2001 under the auspices of the Swedish Presidency of the EU. The meeting clarified that gender mainstreaming does not mean abandoning all government measures focusing specifically on women. Nor does it mean disbanding government units that have specific responsibilities for the oversight of progress towards gender equality. It was recognized that gender mainstreaming takes time and resources, still has a long way to go. It was agreed that there were a variety of tools and approaches that could be used to introduce a gender perspective into all activities. One approach that was discussed was introducing a gender perspective into government budgets, so that the ways that government raise and spend money is organized and implemented in ways that promote gender equality. (see Report From the Expert Meeting on Gender Equality, Ministry of Industry, Employment and Communications, Government of Sweden, 2002).

Gender mainstreaming was continued under the Belgian Presidency with two major actions: building a set of gender pay gap indicators to monitor progress on pay equality; and building a gender perspective into the EU Broad Economic Policy Guidelines. Gender mainstreaming was mentioned in the agendas of the Education and Research Council, the Development Council and in ECOFIN and the General affairs Councils. In each of these meetings, a minister who does not normally deal with gender equality

issues has reported on gender equality initiatives undertaken in a mainstream policy area and asked for the adoption of conclusions and a follow-up process.

However, there are still considerable obstacles, as reported by Veronique Degraef, adviser on gender mainstreaming to the Belgian Vice-First Minister, Ministry of Employment and Equality Policy:

‘In spite of the clear commitment on the application of gender equality to all policy areas and programmes, certain policy fields are protected from “interference”, most notably the harder areas of finance, capital markets and the more technical ones such as transport etc. Gender issues are more easily accepted in “soft” areas dealing with human resources development (such as employment and training policies) than in “hard” areas which receive most financial support.’ ( Veronique Degraef, ‘ Is “gender budgeting” an inclusive part of gender mainstreaming strategy in EU policies?’, paper presented to Conference on Gender Budgets, Financial Markets and Financing for Development, Heinrich Boll Stiftung, Berlin, February 2002).

In a number of EU countries there are experiments with gender budgeting in the hope that this approach may help to get gender equality on the agenda in some of these “hard” areas. Some countries, such as Ireland, are building on experience with the EU Structural Funds. Others have been inspired by experience in Australia and South Africa, which have considerable experience of gender budgeting. There are also many gender budgeting initiatives in Asia, Africa and Latin America.

( see Appendix for more information about gender budgeting initiatives in the EU).

## **What is Gender Budgeting?**

Gender budgeting does not aim to produce a separate budget for women. Instead it aims to produce a budget in which gender has been ‘mainstreamed’. This means that the formulation of the budget incorporates an analysis of public expenditure and methods of raising public revenue, from a gender perspective, identifying the implications and impacts for women and girls as compared to men and boys. The key question is: what impact does this fiscal measure have on gender equality? Does it reduce gender inequality; increase it; or leave it unchanged?

The implication is not that a numerically equal amount of expenditure in all programmes should accrue to males and females. Males and females may have different needs, warranting differential allocations of expenditure. For instance health programmes have to make provision for maternity care for women but not for men. Moreover, much government expenditure is on ‘public goods’, like street lighting, where the benefits are not delivered exclusively and individually. If street lighting is provided in an area, everyone there benefits from it. Here the issue is whether men and women have different priorities for local infrastructure, and whether women’s priorities get the same weight as those of men.

So, the basic issue is not that 50 % of spending should go to males and 50% to females, but that spending should equally serve the needs and priorities of women and men, and serve to reduce gender inequalities.

Similarly with taxation. The implication is not that the tax bill should be split 50% to men and 50% to women. A larger share of national income accrues to men than to women, so fairness suggests that men should pay a higher share of the taxes, especially as women contribute more than men to the unpaid work that keeps families and communities going. Rather, the key point is that the tax system should not have built into it regulations which perpetuate the dependence of women on men; both women and men should be treated as individuals in their own right.

The focus on gender inequality does not mean that other forms of inequality are ignored. Gender analysis can be structured so as to take account of other forms of inequality, such as class, race and region. The key question might be reformulated, for example, as: does this fiscal measure improve, worsen, or leave unchanged, the position of the most disadvantaged women?

### **Tools and Guiding Principles for Gender Budget Analysis**

A gender budgeting initiative always involves a gender analysis of some dimension of the raising and use of public money. But there is no single way of doing this. There are a number of analytical tools that can be used and adapted for particular circumstances (see for example, Diane Elson, 'Integrating Gender Issues into National Budgetary Policies and Procedures: Some Policy Options' *Journal of International Development* , Vol 10 (pp929-941) 1998 ; Debbie Budlender and Rhonda Sharp, *How to do a gender-sensitive budget analysis: contemporary research and practice*, Commonwealth Secretariat and Australian Agency for International Development, 1998; R.Fitzgerald, *Toolkit for Mainstreaming Equal Opportunities for Women and Men into the Structural Fund Programmes in Scotland*, Prepared for Scottish Executive and Equal Opportunities Commission, 1999.)

Whatever the tool being used, it is helpful to keep in mind two principles in doing gender budget analysis.

#### *Assessment on an Individual as well as a Household Basis*

It is important to assess the budget from the point of view of poor households as compared to rich households. But it is also important to look within households and assess the budget from the point of view of individual women and men, recognising that although households do share some resources, this is often done in ways that are incomplete and inequitable. Only if budgets are informed by individual as well as household assessment of likely impacts of tax and expenditure can women be treated as citizens in their own right and not merely as dependants of men. Only this will ensure that the budget is not based on the inaccurate assumption that all income coming into a household is pooled and equally shared by all members of the household.

### *Systematic Recognition of the Contribution of Unpaid Care Work*

The extent to which a country achieves its social and economic objectives depends not only on the amount of paid work its people do, but also on the amount of unpaid work its people do caring for their family members and neighbours, and upon the amount of free time people have for leisure and for civic activities. Unpaid care work is still unequally shared between women and men in most countries and this is one of the major obstacles to equality in paid work and to the full development of the talents of both women and men. A key dimension of a budget's impact on gender equality is the impact on the amount of unpaid care work that has to be done. It is especially important to look at this in the context of expenditure cuts and reforms which are expected to improve effectiveness and efficiency. Information about unpaid care work is provided by time use surveys which are becoming available in a wide range of countries.

### **Organisation of gender budgeting**

Reviews of gender budgeting worldwide ( eg Budlender, Elson, Hewitt and Mukhopadhyay , *Gender Budgets Make Cents*, Commonwealth Secretariat, London, 2002) indicate that the practical organisation of a gender budgeting initiative can take several forms:

#### *Political location*

- at national, regional, or local levels of government
- inside government departments, organised by officials and ministers
- in elected assemblies, organised by elected representatives
- outside government, organised by researchers and civil society organisations

An interactive, consultative, process involving all of the above has been found to be particularly effective. To be sustainable, gender budgeting is best organised in ways that democratise the procedures through which budgets are made and implemented, and give more voice to women's concerns.

#### *Coverage*

- the whole budget (rarely attempted, to date)
- expenditure of selected departments or programmes
- expenditure on new projects
- selected forms of revenue ( taxes, user fees etc)
- changes in the tax system
- implementation of new legislation

The expenditures and revenues to be covered are generally selected in the light of analysis of the pattern of gender inequality, women's priorities, and government policy on gender inequality in the country concerned.

#### *Budget classification*

Budget figures can be presented in a number of ways, each of which might be used as a point of departure:

- line item ( expenditure by payments eg salaries, travel, equipment, buildings etc)
- functional ( expenditure by broad purpose eg policing, defence, education, health, transport, etc)
- economic (financial operations by economic impact eg capital and current expenditures and revenues; subsidies; transfer payments; interest payments; financing operations)
- administrative ( expenditure by institution responsible for managing funds)
- programme( expenditures according to programmes, considered as a set of activities undertaken to meet the same objectives)
- territorial (revenues and expenditures by geographical area of impact)

The line item, functional, and administrative classifications are primarily designed for purpose of control, to keep expenditures within the legal bounds enacted in the budget legislation. The economic classification is designed to facilitate analysis of the impact on the macroeconomy. The programme and territorial classifications are particularly appropriate points of departure for inequality analysis, but in some countries they are not available, or are underdeveloped.

#### *Stage of budget cycle*

The gender budgeting initiative may target a particular phase of the budget cycle.

- planning to identify objectives
- appraisal to identify financial allocations to meet objectives
- audit to identify any misappropriation of money and to assess value for money
- evaluation of the extent to which objectives have been met

Planning and appraisal are constrained by pre-commitments to existing activities, which may be difficult to change.

Audit and evaluation should feedback into planning and appraisal but at best will do so with a lag, since next year's budget has to be prepared before this year's budget has been audited and evaluated. The links between the stages are often weak.

The budget may be linked to a multi-year expenditure plan, which may be targeted as well as the yearly budget.

#### *Presentation of analysis*

Results of gender analysis of expenditures and revenues may be presented in different ways and by different actors:

- at a number of points in the main budget and/or evaluation report
- in a special annexe to the main budget report and /or evaluation

- in briefing papers for parliamentarians
- in press releases
- in submissions to government task forces, planning groups, inquiries etc
- in research publications
- in popular education publications

Consideration needs to be given to the most effective way of presenting the analysis from the point of view of accountability, transparency and democratic participation in budget processes.

### **An Outcomes/Results Framework for Relating Budgets to Gender Equality**

The details of gender budgeting will need to be designed in a country-specific way. But the general principle will always be that of bringing together two bodies of knowledge which have usually been kept separate: knowledge of gender inequality and knowledge of public finance and public sector programmes.

It is relatively easy to identify budget allocations specifically targeted to women and girls (eg financial support to operate refuges for women who have been subject to domestic violence) ; and to activities to raise awareness of gender inequality and on capacity building to address such inequalities ( eg gender mainstreaming training workshops for public officials). But such activities account for only a small proportion of the total budget.

In France, the government estimated that such activities account for only about 40 million Euro, compared to national budget of around 260 billion euro ( Kean Dastot, ‘The Yellow Budget Paper on Women’s Rights and Gender Equality’, paper presented to Conference on Gender Budgets, Financial Markets and Financing for Development, Heinrich Boll Stiftung, Berlin, February 2002)

So it is important to conduct a gender analysis of the mainstream ‘ general’ expenditure. If the budget cycle is taken as the point of departure, then it may be helpful to think in terms of the following framework, which focuses on the **Impact** of activities covered by the budget on the ultimate **Outcomes** or **Results** . It may be used in the planning and appraisal and in the audit and evaluation phases of the budget cycle.

For each Ministry or Programme selected, look at *planned* and *realised* **Inputs, Activities, Outputs, and Impacts**. (NB, there are often important gaps between the plans, as presented in the budget and other documents, and the realisation, as revealed in audits and evaluations.)

**Inputs** consist of the money appropriated and spent  
(as presented in the Functional or Programme Classification)

**Activities** consist of the services planned and delivered  
e.g. health services, industrial support services, social transfers, tax collection

(These may not always be well-specified and it may not clear how much money should or did reach the point at which the activities interface with the public.)

**Outputs** consist of the planned and delivered utilisation of the activities  
e.g. patients treated, businesses supported, incomes increased, taxes collected  
(Desired **Outputs** and indicators of them may not always be well-specified- one challenge is to improve specification and to identify sources of relevant statistics)

**Impacts** consist of planned and actual **Outcomes/Results** in relation to broader objectives

e.g. healthy people, competitive businesses, poverty reduction, sustainable growth of national income(Desired **Impacts** and indicators of them may not always be well-specified-one challenge is to improve specification and to identify sources of relevant statistics. A further challenge is that links between **Outputs** and **Impacts** may be uncertain and complex)

A gender budget analysis can be conducted, irrespective of whether gender equality has been explicitly specified as a desired **Outcome** and **Impact** of the Ministry or Programme, by asking whether planned, and realised;

**Impacts** promote gender equality, as well as other objectives

**Outputs** are fairly distributed between women and men and are adequate to achieve gender equality, as well as other, objectives

**Activities** are designed to be equally appropriate for women and men and are adequate to achieve gender equality, as well as other, objectives

**Inputs** are adequate to achieve gender equality, as well as other, objectives

To answer these questions sex-disaggregated data will be needed and an understanding of the relevant gender relations. A variety of tools and approaches, including participatory approaches, are available to conduct this analysis. On-going dialogue between officials and women's organisations with relevant expertise is recommended.

This approach can be applied to raising revenue as well as to expenditure, by treating the costs of collecting revenue as the input, the process of collection as the activity, the revenue to be raised as the output and the impact of the taxes, charges etc on incomes as the impact.

If the answer to the above questions is **NO**, then changes need to be identified in the identification of **Impact** and **Output** objectives, organisation of **Activities** and deployment of financial **Inputs** so as to close the identified gender gaps. It is likely that progress can be made through a better specification of **Impact** and **Output** objectives; and by changing the priorities that determine **Activities** and financial **Inputs**. Gender equality is frequently complementary to other policy objectives. However, if trade-offs

are discovered between gender equality and other objectives, these should be noted and ways of reducing the trade-off should be investigated. Attention should also be paid to gender issues which cross the boundaries between Ministries and Programmes.

To bring about change, the results of the analysis must be effectively conveyed to policymakers and the public through reports, parliamentary questions and hearings, policy dialogues, newspapers, books, popular educational materials, and public meetings. An informed discussion should be facilitated and ways found to enable the public to participate in the setting of budget priorities, paying particular attention to enabling women to formulate and express their ideas.

## **Some Examples of Gender Budget Analysis**

Much of the gender budget analysis conducted within government is not made public. Analysis conducted by gender budget research groups is more often made public. Below are some examples of gender budget analysis conducted by both governments and research groups. More research on gender budgeting in the EU countries would doubtless provide many more examples. Examples for Australia and South Africa are included as they are pioneers in gender budgeting.

### **Audit and Evaluation of the Budget**

#### **1. Audit of Distribution of Actual Inputs, Activities and Outputs**

This kind of analysis links expenditures actually made to the actual participation in the activities provided and enjoyment of the outputs. It is useful where individual participation can be identified. It can be presented in a variety of ways, focussing on distribution of outputs, or funding, or both.

##### *The National Public Works Programme in South Africa*

‘Approximately R350 million has been allocated to the National Public Works Program from national budgets since 1994. The Community Based Public Work Program (CBPWP) accounts for R250 million of this. Some provinces have added funds from their own budgets.

A 1997 evaluation of the program found that the quality of the assets produced was exceptionally high compared to similar programs elsewhere in the world. It found the 599 projects to be well-distributed geographically with respect to the relative poverty profiles of the nine provinces.....

Of those employed on the projects, 41 per cent were women and 12 per cent were youths. While the figure for women is lower than the female proportion of the population in the rural areas in which the projects operate, it is almost certainly higher than would have been the case without explicit targeting. Unfortunately, the evaluation suggests that women were often assigned the more menial jobs, that their average wages were lower, that they were generally employed for shorter periods than men, and that they were less

likely than men to receive training. 37 per cent of men who were employed received training, compared to 32 per cent of women.

The evaluation results have formed the basis of the Department's current plans to fine-tune the program and further improve targeting.'

Source: Department of Finance, Republic of South Africa, *Budget Review 1998*, Pretoria, p.6.44

### *New Deal Programmes for the Unemployed in UK*

New Deal programmes aim to get more get people of working age who are not currently in paid work into the market for jobs. Figures from the Department for Education and Employment show that only 27 per cent of participants in the New Deal for young unemployed people are female; and only 16 per cent of those in the New Deal for the long term unemployed. In the case of the New Deal for lone parents 95 per cent of participants are female. The programmes have been analysed by Katherine Rake of the UK Women's Budget Group, a women's Think Tank that is regularly consulted by the UK government. She found that 57 per cent of the funding available for New Deal programmes goes to the programme for young people, 23 per cent goes to the programme for long-term unemployed, and only 8 per cent to the programme for lone parents. (The rest goes on a number of other smaller schemes). Rake estimates that double the amount of money is spent per person in the programme for young people than in the programme for lone parents.

Source: Katherine Rake, 'Into the Mainstream? Why Gender Audit is an essential tool for policymakers' *New Economy*, Vol 7 No 2 (pp107-110) June 2000

In France, 'the gender specific impact of the entire budget can be evaluated by means of indicators that each of the ministerial departments must now supply....Take the case of the Ministry of Education's 2000 enrolment indicators: at the tenth grade, more than 99 percent of girls were enrolled in general or technology courses, representing over 55 percent of the students enrolled. By senior year,...girls accounted for barely 43 percent of high school students enrolled in science courses.' ( Kean Dastot, op cit).

## **2. Evaluation of Adequacy of Funding for Women's Empowerment and Realisation of Women's Rights.**

A fair distribution of actual expenditure and services between women and men will not by itself ensure that women are empowered and their human rights realised if key programmes are not prioritised for funding. It is useful to compare actual expenditure with expenditure that would be required to achieve specific quantifiable objectives.

### *Expenditure on adult basic education and training in South Africa*

In South Africa in 1995, 20 per cent of all African women and 14 per cent of all African men over the age of 20 years had no formal schooling. 7.4 million people were illiterate, of whom 4 million were women. Only about one-third of a million people were enjoying adult basic education and training (ABET) programmes in 1994. About 29 per cent of

them were in programmes run by the state and the majority of them were women (59 per cent as compared to 41 per cent men.). The government allocation to ABET programmes was only 1 per cent of the allocation to education in 1996/97. A plan for ABET in South Africa was drawn up in 1994 by the Centre for Education Policy Development ( a South African NGO). Its objective was to reach 3 million learners in 5 years. The proposed budget for the first year of the plan was 132 million Rand. The plan was not put into action. Public expenditure on ABET in 1997/8 was 2.5 million Rand, falling to 1.9 million Rand in 1998/9.

Source: Karen Hunt and Debbie Budlender (eds.) *Money Matters- Women and the Government Budget*, Idasa, Capetown, 1998.

## **Planning and Appraisal of the Budget**

Incorporating gender analysis into planning and appraisal of the budget requires identifying likely gender dimensions of activities, outputs and impacts.

### *Industrial Support in Australia*

‘The communications equipment industry is characterised by a predominantly female workforce. However, as with the majority of industries in the high technology sector, women workers predominate in the unskilled areas of employment, mostly process work, and have made little progress in technical and management areas.

...Financial support of \$400.000 will be provided in 1986/87 to assist the industry. The first stage of the Government’s plan involved a reduction in tariffs. The second stage sought the development of a comprehensive industry development strategy...The net result of successful implementation of the strategy will not mean an overall decreases in employment, however increased automation will lead to a decline in unskilled work. The potential for growth in employment in this industry lies in the technical and management areas such as research and development and marketing skills.

Given the limited numbers of women in the technical and management areas it can be assumed that barriers to women’s participation in these areas of employment exist. The obvious barriers are in the fields of education and training, particularly in the numbers of young women in the science disciplines in secondary and tertiary education institutions. While the Department’s programs cannot seek to reduce these barriers to women’s employment, affirmative action legislation and efforts by the Department of Education to increase the number of women and girls in science related training, will assist in increasing women’s employment opportunities in technical and management areas.’

Source: Department of the Prime Minister and Cabinet and Office of Status of Women, Commonwealth of Australia, *Women’s Budget Program: An Assessment of the Impact on Women of the 1986-87 Budget*, p 180

### *Infrastructure Development in South Africa*

‘Investment in infrastructure builds economic capacity and enhances competitiveness, while contributing to the quality of life of poor people. Energy, transport, communications and social infrastructure bring significant benefits to women and children, particularly.

Capital expenditure financed by the national and provincial governments is expected to increase... capital spending on water schemes and related infrastructure of R 1 537 in 1998/99, increasing to R 1785 million in 2000/1.

.....  
In late 1995 only one third of African households and less than three-quarters of coloured households had running tap water inside their dwellings, compared to 97 per cent of Indian and white households. Outside urban areas only 12 per cent of African households had an inside tap and 21 per cent had a tap on the site, while 28 per cent were collecting water from a river, stream, dam or well and 16 per cent from a bore hole. One in six African households who had to fetch water were forced to travel at least a kilometre to do so. In 1993 the average time spent on the task by members of rural African households who collected water was 1 hour and 40 minutes. The average time spent by individual women who collected water was over an hour, at 74 minutes. Just over half of rural African women over the age of 18 were spending part of their time collecting water.’  
Source: Department of Finance, Government of South Africa, *Budget Review 1998*, Pretoria (p 1.5 and 6.58).

#### *Support for women’s entrepreneurship in France*

‘Women still account for a minority of entrepreneurs, creating only 27% of all new businesses. To help change this:

- FF 10 million in additional resources has been earmarked for the Special Women’s Guarantee Fund (FGIF), corresponding to the creation of 1000 new businesses in 2001; and,
- Government-supported networks of assistance for entrepreneurs are being asked to boost the number of women they assist by 25% over three years.’

Source: Government of France, *Draft 2001 Budget Act: Review of Appropriations for Actions in Support of Women’s Rights*, p.13. (Translated by OECD for 22<sup>nd</sup> Annual Meeting of Senior Budget Officials, May 2001, PUMA/SBO(2001)7)

#### *Tax Credits in the UK*

‘The Women’s Budget Group welcomes recognition that while the Working Families Tax Credit (WFTC) has brought benefit to many families, it should be reformed to make it more effective by splitting it into two separate tax credits, Employment Tax Credit (ETC) and Integrated Child Credit (ICC). In particular, we welcome two features of the ICC: that it will go some way to providing an integrated and seamless system of financial support for children that is unrelated to parents employment status and that it will be paid to the children’s principle carer.....

Any employment incentive effects should be targeted on men and women equally, so that work pays equally well for both sexes and that a sharing of caring and earning roles between parents is encouraged. This should enable couples to make decisions about hours of work that allow them both time for their children and the opportunity to take employment. Current incentives work in such a way that for many families it is most practical for one parent to work long hours while the other takes on the bulk of caring responsibilities and only a secondary labour market role, if any. Unequal pay and the difficulties of finding suitable childcare are primarily responsible for these patterns. It is therefore particularly important that government policy does not exacerbate the inequalities...

The WFTC, because it is designed primarily to get at least one parent from workless households into employment, can act as a disincentive to second earners in households (despite the child care tax credit). This is because a second earner in a family claiming WFTC faces a high tax rate of 55% with no individual incentive to start. Indeed there is a disincentive to sharing hours and caring responsibilities between the two parents, with a premium being paid if one partner is employed for 30 hours or more, but no premium if those hours are shared between partners.

It is important that these features are not reproduced in the ETC/ICC system and that everyone is treated equally by any incentive to take employment. Not to do so not only indirectly discriminates against women, who are more likely to be second earners, but is very short-sighted in terms of preventing household, and thus, child poverty. Many households depend on two earners to keep them out of poverty and much employment these days is insecure. Households with only a single earner are not only likely to be poor: they will become workless if the sole earner loses their job. Further, with increasing family breakdown many of today's second earners will be tomorrow's single parents.' Source: Women's Budget Group, 'Submission to H.M.Treasury on the proposal for an Integrated Child Credit', London 2000.

### **Accountability to women: the case for publishing a gender analysis of the budget as a whole**

A major purpose of the budget documents is to bring together all public expenditure and revenue and to provide an overview of public finances and their intended impact on the economy and the human well-being of a country. The publication of a gender budget document setting out an overview of the impact of the budget as a whole on gender equality objectives would provide benchmarks which women could use to hold their governments to account in budgeting for gender equality.

A number of suggestions for relevant indicators, based on the work on Debbie Budlender and Diane Elson, are made in UNIFEM, *Progress of the World's Women 2000*, New York, 2000, p.118.

For instance, following on from the functional and programme classification of budgeted and actual expenditure, one could calculate indicators for planned and actual expenditure, such as:

- share in total expenditure of expenditure explicitly targeted to promoting gender equality
- share in total expenditure of expenditure devoted to public services prioritised by women
- share in total expenditure of expenditure devoted to income transfers prioritised by women.

Such indicators would be more refined versions of those popularised in the UN 20/20 initiative, which endeavours to get governments to commit 20 per cent of public expenditure to basic social services and aid donors to like wise commit 20 per cent of their funding to basic social services. One limitation of such indicators is that they do not capture how much expenditure actually gets translated into tangible improvement in gender equality. Moreover, indicators of shares do not tell us whether real expenditure per capita has been rising or falling.

It would also be possible to summarise gender -sensitive indicators across a range of Ministries, covering their activities, outputs and impacts. One possible indicator is gender equality in participation in activities undertaken by several ministries. For example:

- gender balance in enjoyment of support for business (eg subsidised credit)
- gender balance in enjoyment training provided for members of the public
- gender balance in bodies making decisions about utilisation of resources.

It would also be useful to have some measure of levels of satisfaction of men and women with the services provided. Participatory processes have an important role to play here.

It would also be possible to take the line item classification of the budget as a point of departure, and construct gender-sensitive indicators of expenditure on and participation in public sector employment and public sector purchase of good and services from the private sector. For example:

- gender balance in public sector employment ( eg share of women in employment at each grade; average cost of female employees compared to average cost of male employees)
- gender balance in public sector contracts with private sector ( eg share of women-owned businesses in total number and value of contracts).

Such indicators recognise that the public sector can promote (or hinder) gender equality as a purchaser as well as a provider.

### **Gender and the macroeconomics of the budget**

None of these techniques of gender budgeting focus directly on the budget as a tool of macroeconomic policy. They do not take the economic classification of the budget as the point of departure or engage with the decisions about the desired aggregate levels of revenue and expenditure; and the extent to which governments should borrow further or pay down public debt. They do not examine the intersection with monetary policy. They do not examine the ways in which macro-economic objectives such as growth of GNP and rate of inflation are set and how such objectives are thought to be related to the budget. It is important to develop more gender budget analysis at this macro-economic level, because the macroeconomic decisions constrain the room for manoeuvre in

changing budgets in a more gender equitable direction. Other things being equal, it is likely to be harder to change budget priorities in the direction of gender equality, and improvement of lives of poor women in particular, when the main emphasis is on cutting back expenditure and minimising taxation. There are strong lobbies for other priorities that are likely to carry more weight when cuts are being made.

The first step in engaging with the budget as a tool of macroeconomic policy is to get recognition that there is a gender dimension to macroeconomic objectives like increasing economic growth and productivity; and to macroeconomic aggregates like savings and investment, exports and imports, and the supply of labour. Relevant research is now being produced (see for instance, Special Issue of *World Development* on Growth, Trade, Finance and Gender Equality, Vol 28, No 7, July 2000). Moreover, some governments are beginning to see some connections between economic policy and gender equality policy. For instance the Government of India included a chapter on gender equality in its Economic Survey (2000), noting that as well as promoting substantive enjoyment of equal rights, gender responsive budgeting can benefit the economy through efficiency gains:

‘From the efficiency point of view, what is important is the social rate of return of investment in women, and in many cases, this can be higher than the corresponding rate for men.’

Another example is the dialogue between the UK Women’s Budget Group ( an NGO) and the UK Treasury which has included seminars on the gender dimensions of productivity growth and of medium term labour supply projections ( which impinge on assessments on the growth/inflation trade-off). Further development of gender budgeting at the macro economic level is an important challenge for the future. This will need to include the intersection of national budgets with the global economy.

The EU under the Belgian presidency took a pioneering initiative in 2001 to begin mainstreaming gender in the EU Broad Economic Policy Guidelines. It is clear that this will not be easily achieved, but it is important that there is continuing follow-up.

### **Pay -Off to Ministers of Finance as well as to Ministers of Women’s Affairs**

Gender budget initiatives can have a pay-off in terms of effectiveness in achieving other goals besides that of equality between women and men. Two examples:

#### *Improved Targeting*

Gender analysis shows that it frequently matters whether measures directly impact upon men or women, even when they are living together in the same household. For instance, a budget which aims at reducing child poverty will be frequently be more effective if it targets additional income specifically into the hands of mothers rather than of fathers. A wealth of evidence from a wide range of countries shows that men, even poor men, frequently keep back some of their income for personal discretionary use for leisure activities, while women are more inclined to contribute the whole of their income to the family ‘pot’ and to spend it ways that are directly beneficial to children.

### *Avoidance of False Economies*

Gender analysis shows that there is a danger that measures to reduce or contain the financial costs of public sector services may actually transfer or perpetuate real costs, in terms of time use, to women as principle carers for family members. For example, measures to reduce the financial costs of health services by shortening the time that patients stay in hospital for post-operative recovery may transfer the burden of convalescent care to women in the home. In turn this can have a knock-on effect, forcing women to be absent from their paid employment and lowering their productivity.

### **Acknowledgements**

This paper draws upon the work of many people who are developing gender budgeting initiatives. I would particularly like to thank Debbie Budlender and Rhonda Sharp for many helpful discussions; colleagues in UNIFEM and the Commonwealth Secretariat for supplying materials used in this paper; and fellow members of the UK Women's Budget Group for sharing their expertise.

## **Appendix: Gender budgeting in EU countries**

( still in process- not yet complete-please send any information for inclusion to [drelson@essex.ac.uk](mailto:drelson@essex.ac.uk))

### **Belgium**

#### **Directorate for Equal Opportunities, Federal Ministry of Employment Labour**

Conducts the Belgian Gender Budgeting Project as a part of a larger gender mainstreaming project, initiated by the federal minister for equal opportunities.

The specific aims of the Gender Budgeting Project are to investigate various methodological tools for gender budgeting, as well identifying the data necessary for creating a gender budget in the Belgian context and the means of collecting such data.

The project is managed by academics from University of Liège and University of Antwerp, and the fieldwork is carried out by those responsible for budgetary matters in the various cabinets and administrations.

Contact: Carine Joly ,Direction de l'égalité des chances, Ministère fédéral de l'Emploi et du Travail,51 rue Belliard,1040 Bruxelles. Phone: +32 2 233 40 27 Fax: +32 2 233 40 32

Or the university team:Dr Nathalie Holvoet: [nathalie.holvoet@ua.ac.be](mailto:nathalie.holvoet@ua.ac.be)

Annie Cornet: [annie.cornet@ulg.ac.be](mailto:annie.cornet@ulg.ac.be) ; [www.egss.ulg.ac.be/annie\\_cornet](http://www.egss.ulg.ac.be/annie_cornet)

## France

### **Ministry for Economy, Finance and Industry**

Beginning in 2000, at the request of the legislature, a budget document is issued showing the contribution of the national budget of France to the promotion of gender equality and women's rights. This document acts as a monitoring and information toll for the legislature. Each ministry is required to identify expenditure on programmes targeted to women and also the actions that it has undertaken to promote gender equality, together with indicators of the gender equality implications of its general expenditure.

<http://www.minefi.gouv.fr>

## Germany

### **Federal Ministry for Family, Senior Citizens, Women and Youth (BMFSFJ)**

Analyses the differential impact on men and women of government spending on youth programmes, pensions, etc.

<http://www.bmfsfj.de/>

<http://www.gender-mainstreaming.net>

## Ireland

### **National Development Plan (NDP) and Gender Equality Unit (Ministry of Justice, Equality and Law Reform)**

The 2000-2006 Irish National Development Plan incorporates a commitment to gender mainstreaming drawing upon experience of gender mainstreaming in the EU Structural Funds (which provide 7% of the funding for the 51 billion euro Plan).

One important component of the gender mainstreaming initiative is a gender impact assessment: each project proposal initiated under the NDP must contain an assessment of to what extent men and women may be differentially affected by the project or expenditure. The gender impact assessment also contains proposals for how the project can be amended to improve equality.

[http://www.ndpgenderequality.ie/genmain\\_natdev/genmain\\_natdev.html](http://www.ndpgenderequality.ie/genmain_natdev/genmain_natdev.html)

Gender mainstreaming assessment:

[http://www.ndpgenderequality.ie/about\\_genmain/about\\_genmain\\_5.html](http://www.ndpgenderequality.ie/about_genmain/about_genmain_5.html)

E-mail: [equalityinfo@justice.ie](mailto:equalityinfo@justice.ie)

## Italy

Gender budgeting initiatives are underway in the Commune di Modena and the Commune di Sestri Levante.

Research is being conducted by Dr Francesca Bettio, Dr Tindara Addabbo, and Dr Antonella Picchio, in conjunction with the local administrations.

E-mail: [bettio@unisi.it](mailto:bettio@unisi.it), [addabbo@unimo.it](mailto:addabbo@unimo.it); [picchio@unimo.it](mailto:picchio@unimo.it)

## **Norway**

### **Ministry of Children and Family Affairs (BFD)**

For the 2003 budget, the BFD made a gender-based analysis of economic policies, together with other ministries, such as the Ministry of Employment and Ministry of Social Security.

The BFD focused especially on the impact of policies on families and the work-life balance for men and women.

<http://odin.dep.no/bfd/>

contact: <http://odin.dep.no/bfd/global/kontakt/index-b-n-a.jsp>

## **Spain**

### **Basque Government**

Emakunde, the women's office of the Basque government, is co-ordinating a gender budgeting exercise across a number of government departments. It maintains a library of gender budget resources together with IT-company Infopolis:

<http://www.infopolis.es/usuarios/bibliotec.htm>

[www.emakunde.es/indice\\_i.htm](http://www.emakunde.es/indice_i.htm) (in Spanish)

E-mail: [emakunde@ej-gv.es](mailto:emakunde@ej-gv.es)

## **Sweden**

### **Department for Industry, Trade and Communications:**

Has produced several reports analysing the gender impact of current economic policies, such as social insurance, pensions, etc. and on women's contribution to GNP and the productivity of women and men.

[http://naring.regeringen.se/inenglish/areas\\_of/equality.htm](http://naring.regeringen.se/inenglish/areas_of/equality.htm)

E-mail: [registrator@industry.ministry.se](mailto:registrator@industry.ministry.se)

### **Swedish Association of Local Authorities**

Has published studies on differential spending on women and men, girls and boys in areas such as compulsory education, culture, child care, old-age and social care.

<http://www.svekom.se/skvad/indexeng.htm>

E-mail: [sk@svekom.se](mailto:sk@svekom.se)

## **United Kingdom**

### **H.M Treasury**

The Treasury conducts some gender analysis of tax and benefit policy and is embarking on a pilot project to conduct gender analysis of expenditure in 3 government department. The Treasury works in consultation with the Women's Budget Group  
The gender focal point is Zahid Rahman. E-mail :Zahid.Rahman@hm-treasury.x.gsi.gov.uk

### **Women's Budget Group**

The WBG is an independent organisation bringing together women researchers from universities, NGOs and trade unions to promote gender equality through appropriate economic policy. It produces a regular analysis of the UK government budget and gender analyses of gender dimensions of economic and social policy.

<http://www.wbg.org.uk>

E-mail: [kate@fawcettsociety.org.uk](mailto:kate@fawcettsociety.org.uk)

## **Scotland**

### **The Scottish Executive**

The Scottish Executive is committed to 'equality proofing' the budget for Scotland. It works closely with an NGO, the Engender Women's Budget Group.

### **Engender Women's Budget Group**

Engender Women's Budget Group conducts gender analysis of public expenditure in Scotland.

[www.engender.org.uk](http://www.engender.org.uk)

Engender Women's Budget Group: <http://www.engender.org.uk/budget.html>

Contact: [ailsamckay@engender.org.uk](mailto:ailsamckay@engender.org.uk)

## **Nordic Council of Ministers**

The Council has a working group on gender analysis of the national budgets including representatives of the Ministries of Finance and National Machineries for Gender Equality in all five Nordic countries.

<http://www.norden.org/gender/sk/index.asp?lang=6>

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