

Improving budgets: A framework for assessing gender responsive budget initiatives

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Introduction

Gender responsive budget initiatives are strategies for assessing and changing budgetary processes and policies so that expenditures and revenues reflect the differences and inequalities between women and men in incomes assets, decision-making power, service needs and social responsibilities for care. Over the past twenty years, governments, non-government organisations, international organisations, donors, researchers and grass-root activists worldwide have increasingly recognised the crucial role of integrating a gender perspective in budgeting for achieving government and international commitment to gender equality and women's empowerment. More recently, the potential role of gender budgeting in contributing to the achievement of the Millennium Development Goals has been acknowledged.

Gender budgeting was first introduced in Indonesia in 2000 by an international non-government organisation that provided training and resources for local NGOs to perform this work. Since then, a variety of activities under the umbrella of gender budgeting has taken place at the district, provincial and national levels of government. The passing of Presidential Decree 9/2000 and the Ministry of Home Affairs Decree 132/2003, while not intended to introduce gender budgeting, have provided regulations that the proponents of gender budgeting have been able to draw upon to argue the case for making budget allocations more gender responsive. The Ministry of Women's Empowerment, with donor support, undertook a gender budget pilot in South Borneo and South Kalimantan. The training of government officials and members of women's NGOs in the use of gender budgeting tools and analysis has been promoted by a number of donors and other national government agencies such as Bappenas. In South Sulawesi district areas such as Tana Toraja, Bone and Makasar have introduced gender budgeting initiatives and pro-poor budget advocacy is undertaken in the Tanah Datar District of West Sumatra ¹.

Such diversity of activities is consistent with the international experience, as there is no 'one size fits all' approach to gender budgeting. Initiatives vary in scope, objectives, strategies, entry points to the budget, tools of analysis, participants and the politics of engagement. Similarly, there is no single means of assessing the success of gender budgeting. This is partly because government budgets, and gender responsive budgets, can be seen as multifaceted processes with substantive outputs resulting from government activities and their effects on the economy, and more broadly, society. However, it is increasingly being asked how we know when gender responsive budgeting is successful. The answer is complicated, not only because of the diversity of experiences, but also because a variety of activities and groups are usually involved in improving budgets. It is often not possible to attribute more gender sensitive budgets solely to a gender budget initiative.

This chapter proposes a broad framework for assessing the contributions of the diverse activities undertaken under the umbrella of gender budgeting, to improving budgets generally, and in particular, the gender sensitivity of budgets. It illustrates this with country examples.

¹ Email communication with Sri Mastuti, Civic Education and Budget Transparency Advocacy, Indonesia December 1, 2007.

Progressing gender-responsive budgeting

In both developing and industrially advanced countries, reforms are being introduced to assess and evaluate budgets on their performance. Unfortunately, these performance- or results-based budgetary systems rarely explicitly include performance criteria that adequately reflect gender sensitivity or equity (Sharp, 2003). A central characteristic of gender-responsive budgeting initiatives is that they seek to improve the results of budgets generally, and gender equality and women's empowerment in particular, by focusing on key economic and social matters that are frequently overlooked or obscured in conventional budget and policy analysis, and decision making. These issues include the role of unpaid work in economic and social outcomes, particularly women's disproportionate responsibility for unpaid work; the distribution of resources between families as well as within families; and the impact of taxation and expenditures on poor women and their dependants. If such matters were better reflected in budgets, we could expect this to be accompanied by multifaceted and inter-related improvements to budgets generally and the gender sensitivity of budgets in particular in:

- processes and procedures
- substantive outputs arising from government activities
- outcomes for gender equality, women's empowerment and poverty reduction.

Such improvements would encompass statistics and indicators, budget decision-making processes, expenditures, revenues, and aid-related processes. Table 1 shows the different ways in which gender-responsive budgets have facilitated improvements in these five areas. What follows are examples of countries where gender budgeting has contributed to improving different areas of budgeting and policy and its gender responsiveness.

Improved statistics and indicators

In many countries gender-responsive budget initiatives have improved the availability of sex-disaggregated data essential for assessing budgetary impacts. This can involve better utilisation of existing data (including census and agency collected data) and the collection of new data (such as time use data, community data). The women's budgets of the Australian national, state and territory governments, for example, published budget documents that used a range of published and agency sex-disaggregated data and successfully raised awareness of the importance of gender-disaggregated data in policy and budgetary analysis. At the national level, 14 gender equality indicators (GEIs) were developed in the 1990–91 and 1991–92 women's budget statements that linked the women's budget initiative with monitoring the five year National Agenda for Women Action Plans.

The Republic of the Marshall Islands (RMI) Statistician gave the first presentation of census data in a sex-disaggregated form to senior public servants in 2003, as part of a gender budget pilot (Sharp and Vas Dev, 2004). The pilot also resulted in NGO studies on teen pregnancy releasing new gender-disaggregated data to policymakers. Since then the Economic Planning and Statistics Office of the RMI has increased the availability of sex-disaggregated data on its website, drawing on existing census and agency data, and including gender breakdowns in new surveys such as the RMI 2006 Community Survey.

Gender budgets have contributed to improving statistics and indicators when they have successfully engaged with performance budgeting systems. Over the past decade, many countries, including Indonesia, have introduced reforms to their budgetary systems that include measures of performance that could be used to assess the effects of government activities. In some countries, targets have been set to measure progress. Recasting budgets in terms of the outputs and outcomes that they are expected to generate, and the setting of targets, is consistent with the results focus of gender-responsive budgeting. The government

of Rwanda, for example, incorporated input from a gender budget consultant in its move to performance-oriented budgeting. A format was proposed for the budget whereby gender-disaggregated statistics would be used in conjunction with the output indicators established for budgetary sub-programs (Diop-Tine, 2002). In the case of Samoa, a youth- and gender-sensitive budget pilot in 2003 led to the removal of inappropriate output indicators for gender targeted expenditures from the budget documents (Sharp, Vas Dev and Spoehr, 2004).

Table 1: A framework for assessing the contributions of gender responsive budget initiatives

Area of improvement	Form of improvement
statistics and indicators	increased use and availability of sex-disaggregated data better indicators of budgetary outputs and outcomes
budget decision-making processes	capacity building of elected representatives strengthening the advocacy capacity of women's NGOs on budget matters increasing the gender sensitivity of participatory budget processes increased capacity of budgetary circulars to align government policies with the budget submissions of departments and agencies recognition of the contributions and costs of the unpaid care labour of women and girls
expenditure side of the budget	reporting on targeted allocations to women and girls inclusion of equal employment opportunity principles in government contracts and its implementation in government purchaser and provider agreements improved reporting on the gender dimension of mainstream programs assessments of funding adequacy for achieving agreed objectives tracking the disbursement of funds from the budget to their planned or expected use promotion of the importance of cross-agency collaboration and program delivery
revenue side of the budget	redesign of the tax-benefit system redesign of personal income tax redesign of indirect taxes
aid-related policy processes	highlighting gender issues in public expenditure reviews and poverty reduction strategies highlighting gender equality goals in aid funded projects incorporating gender into performance oriented budgetary reforms

Improvements in the budget decision-making process

Gender-responsive budget initiatives can improve budgetary decision-making processes in several ways. One is by engaging a wider range of society's interests and improving their capacity for budgeting and policymaking. Budgetary politics influencing the distribution of resources are dominated by powerful groups, including national and international finance organisations, business lobby groups, large donors, the media and the government cabinet.

The interests of these groups can converge to reduce public services, reduce taxation for high-income groups and further shift the burden of social reproduction and care to women. These are policies that the advocates of gender responsive budgets contest for their gender biases. It requires strategic alliances to do so effectively. Other ways of improving budgets and their gender sensitivity is to facilitate the alignment of policies and budgets and to incorporate problems of unpaid care labour into policy and funding decisions.

In some countries, the capacity of elected representatives to participate in parliament on budgetary related matters has been improved. The Ugandan NGO women's budget group (Forum for Women in Democracy) produces briefings and papers for parliamentarians which have given gender issues 'credibility and respect' rather than having them discussed as 'sentimental or moral issues' (Byanyima, 2002). In South Africa, for several years gender budget issues were considered by both the parliamentary Joint Standing Committee on Finance and the Joint Monitoring Committee on the Improvement of the Quality of Life and Status for Women. These committees used budget debates to raise public awareness on gender, asked for reports from ministers and have held hearings with civil society (Govender, 2002).

Changing budgets to better meet the needs of women and children has been facilitated by strengthening the advocacy capacity of women's NGOs on budget matters. Participation in gender budget initiatives enabled women's organisations in Brazil to play an active role in the launch of the Brazilian Budget Forum in 2002. The Forum's aims were to exert social control over public expenditures; to raise public awareness of budgetary processes; and to increase transparency and accountability. Gender equality is a major dimension of the work of the Forum (Raes, 2006).

In countries where participatory budget processes have been implemented, increasing the gender sensitivity of these participatory budgets improves participation and outcomes. Participatory budget processes have been introduced in several Latin American countries at the municipal or local level. Initially little attention was paid to gender equality. Gender budget initiatives have been made to improve women's participation and to focus on gender equality. In the Peruvian city of Villa El Salvador, participatory budgeting was established in 2000. As a result of a gender budget initiative in the city, the participatory process made gender equality one of the central themes and introduced a gender assessment early in the process (Sugiyama, 2002).

Gender-sensitive budget circulars issued by the Ministry of Finance to agencies and departments are important for aligning budgetary decision-making with policies. The government of Pakistan has shifted to a Medium Term Expenditure Framework (MTEF), where budgetary decision-making and policies are planned within a three-year framework. The gender-budget initiative proposed simple refinements to the budget circulars and the MTEF approach to increase its gender sensitivity and better align budgets with policies (Mahbub and Budlender, 2007).

Recognition of the costs and the contributions of women's unpaid care labour in government funding arrangements are central to the efficient and equitable design of programs and their funding. Peru's 'glass of milk' program, which delivered milk to improve the nutrition of young children, was designed along self-managing principles which used large amounts of women's unpaid labour. In order to expand the program to more children, it was estimated that some 733,000 hours of women's volunteer labour would be required. This amounted to nearly 20% of the government funding for the program (Pearl, 2002). This analysis raises questions about the policy and program impacts on women's time burdens as well as about who pays for the program (in-kind as well as in monetary terms).

Improvements on the expenditure side of the budget

Gender budgeting produces analyses intended to provide guidance for changing government expenditures in line with gender equality and women's empowerment. Sometimes this can be done with existing resources through improved allocations. However, globally the need to increase government expenditure is indicated by a World Bank study that estimates the annual financing gap for implementing the Millennium Development Goal 3 specific targets in education and gender-mainstream activities in low income countries ranges from \$8.6 billion in 2006 to \$23.8 billion in 2015 (Grown, Bahadur, Hadbury and Elson, 2006).

It is important to have a sound understanding of the magnitude, trends and effectiveness of targeted expenditures on women and girls to improve the expenditure effectiveness of budgets. South Korea's Ministry of Gender Equality produced a white paper on women-related issues that introduced the concept of gender budgeting. The budget amount for women-related policy was reported. In 2001 the total budget allocated to the Ministry of Gender equality was only 0.003% of the total annual account (Jung Sook, 2002: 68). Similarly the Indonesian national budget allocates less than one percent of its total to the Ministry of Women's Empowerment program. India has developed a different approach to monitoring trends in gender-targeted expenditures by seeking to identify both 100% women-targeted programs and pro-women components (set at 30% of beneficiaries) of mainstream poverty alleviation programs. The national budget documents now monitor trends in the allocations and actual expenditure for these two types of expenditures. The 2007–08 budget estimated these allocations at 4.8% of the total Union budget compared to 3.8% in 2006–07 (Mishra and Jhamb, 2007: 1423).

Similarly, the inclusion of equal employment opportunity (EEO) expenditures and principles in government expenditures and contracts, and their implementation in government purchaser and provider agreements, has the capacity to improve the influence on government expenditures. As a result France produces a yellow budget paper that reports programs targeted on women and measures to improve gender equality in public sector employment (UNIFEM, 2002). In the case of Ecuador, the gender budget initiative of the municipality of Quito recommended that 30% of contracts for public works be assigned to women contractors (Pearl, 2002).

The improved reporting of the gender dimensions of mainstream (non-gender-specific) programs is crucial, as these can be 99% of the total budget and can have significant gender impacts, but they are often subjected to less scrutiny than gender-targeted expenditures. Sweden's 2005 Budget Bill showed how parental leave and part-time work associated with small children affected the income and pension base of a woman and man in an example household. It demonstrated that the loss of income over ten years was SEK 304,000 for the mother compared to SEK 10,000 for the father, which it noted would also be reflected in their future retirement income pensions (Government of Sweden, 2006). South Africa, in the 1998 national budget in particular, reported on the gender dimensions of selected mainstream programs. For example, it assessed the roles of women in the basic water supply program as employees (14%), trainees (16%), contractors (0), consultants (25%) and steering committee members (20%). It also identified the large amount of time spent by rural women in collecting water because of the lack of reticulated water (South African Department of Finance, 1998).

There needs to be a match between resources, and the objectives of new programs, laws and gender budgeting can assist in that process. For example, implementation of the 1999 South African Domestic Violence Act was costed by the civil society Women's Budget initiative (Budlender *et al.*, 2002). A sequent study by an NGO (Centre for the Study of Violence and Reconciliation) found that most of the new money was allocated to training court officials and police on the new act and public awareness raising which was largely

provided by donors. The full implementation of the act would require significant increases in budgetary allocations (Vetten *et al.*, 2005). In Mexico the research and advocacy of the NGOs, Fundar, Foro and Equidad, demonstrated the high rates of maternal deaths among women without social security assistance affected the implementation of maternal health programs (Hofbauer, 2002: 94). This led to a large increase (900%) in the expenditures allocated to a maternal health program in one of the states of Mexico (Bakker and Budlender, 2008).

In some cases there is a gap between the disbursement of funds from the budget for their planned or expected use. However, gender budgeting has contributed to the tracking of funds; essential for budgetary accountability. A UNIFEM sponsored gender budget initiative in India included tracking a major poverty alleviation program in West Bengal (Banerjee & Pouline, 2004). A gender audit of the budget's disbursement was performed by a research Institute in Nepal (Acharya, 2006). Women's organisations in Brazil in the 1990s tracked expenditure on health and violence against women. Findings of low implementation and disbursement rates and the limited social impacts were published. Armed with this information, the women's organisations advocated improvements in budget allocations and disbursement and were met with a positive response from the government (Raes, 2006).

Gender is a cross-cutting issue in many government programs, so the promotion of the importance of cross-agency collaboration and program delivery by gender-responsive budgeting improves government expenditures. The Republic of the Marshall Islands gender budget pilot proposed cross-agency collaboration in the initial 2004 budget negotiations as a means of dealing with teenage pregnancy involving health, education and internal affairs (Sharp and Vas Dev, 2006).

Improvements on the revenue side of the budget

The revenue side of the budget is central to decisions about what services government should provide and who should pay for them. As a result, taxation (and other revenue raising) and expenditure should be considered together for a full understanding of the effects of budgets. In countries with high levels of poverty, the capacity of governments to raise revenue to provide adequate services that promote gender equality and women's empowerment can be severely hampered. Furthermore, the narrowing of the taxation base that occurs with significant tax concessions to individuals with high incomes and wealth, and profit-making corporations, along with tax avoidance activities and corruption, can shift the burden of revenue raising to poorer groups. As a result, the design of the income tax and indirect tax systems are important in promoting gender equality and women's empowerment. Gender budgeting has brought a focus and changes to the revenue raising dimension of budgets by contributing to:

- *The redesign of tax/benefit system:* Following an analysis by a civil-society group (UK Women's budget group), the UK Government redesigned its tax credits for childcare to ensure that they could be paid to the main carer rather than the main earner (St Hill, 2002)
- *The redesign of personal income tax.* In Australia, the federal government's dependant spouse rebate (97% of the recipients being men) was identified by Treasury, in the 1987 Women's Budget Statement, as not necessarily supporting unpaid childcare providers, and was paid at a higher rate than the sole parent benefit. The dependant spouse rebate was abolished in 1993 (Sawer, 2002).²

² Under the Howard government in Australia 1996-2007 the *Federal Women's Budget* which had been in place since 1984 was abolished and a tax rebate for single income couples was re-introduced as a component of family tax benefit (B).

- *The redesign of indirect taxes.* The South African civil society women's budget initiative analysed indirect taxation and found taxes on necessities such as paraffin to be particularly regressive for women. The annual government revenue loss of a zero VAT rating for paraffin was estimated by the civil society women's budget initiative in 1996. It was argued that a zero rating would be a well-targeted form of assistance to poor households and of little benefit to rich households, as they did not use paraffin very much. Subsequently the tax on paraffin was removed (Elson, 2006).

Improvements in aid related policy processes

Aid can reduce gender inequalities by contributing to direct budgetary support, new programs and poverty reduction strategies. In a number of countries, bilateral and multilateral donors are supporting the implementation of gender budget initiatives. Some donors have assisted with incorporating gender sensitivity into reforms of public expenditure management systems. Some country examples of improvements in aid related policy processes associated with gender budgeting include:

- *The highlighting gender issues in public expenditure reviews and poverty reduction strategies.* The leaders of Tanzania's civil society gender budget initiative (TGNP) contributed to Tanzania's public expenditure review and the production of Tanzania's Poverty Reduction Strategy (Rusimbi, 2002).
- *The highlighting of gender equality in aid-funded projects.* The Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee has a gender equality rating system (the gender equality policy marker) for its member bilateral donors that requires them to rank their projects according to whether: (1) gender equality is a principal objective (for example, capacity building of Ministries of Finance and Planning to incorporate gender equality objectives in national poverty reduction strategies); (2) gender equality is a significant objective (eg the provision of drinking water to a community while at the same time ensuring that women and girls have safe and easy access to the facilities) or 3) gender equality is not a consideration.
- *Incorporating gender as part of budgetary reforms funded donors.* The Asian Development Bank funded a pilot youth and gender sensitive budgeting project in Samoa in 2003 with the aim of enhancing ongoing public expenditure reforms.

Conclusion

The descriptive framework developed provides a starting point from which to assess the progress of gender-responsive budgeting. It seeks to make a contribution by focusing broadly on the policy and budgetary improvements facilitated by these initiatives, covering processes and procedures, substantive outputs arising from government activities and outcomes for gender equality, women's empowerment and poverty reduction.

International experience suggests that gender budgeting has contributed to improvements in statistics and indicators, budget decision-making processes, expenditures, revenues and aid-related policy. These improvements have taken a variety of forms which reflects, amongst other things, the diversity of gender budget initiatives that have emerged. Much more research, however, needs to be done on how to assess the progress of gender budgeting as a means of financing gender equality and women's empowerment in public finances, including in-depth studies of initiatives, changes over time and the development of measures and indicators.

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