Government budgets impact on poor people through a variety of channels, both direct and indirect. The direct channels are provision of services, infrastructure, income transfers, public sector jobs, taxation, user charges, and budget decision-making processes. The indirect channels operate via the impact of the budget on the private sector through contracts to supply the public sector, and the macroeconomic impacts of the budget on aggregate demand in the economy, and thus on job creation and economic growth. The gender-differentiated character of these impacts can be revealed by gender budget analysis (GBA), and gender-responsive budgeting (GRB) can bring about changes in policies, priorities and budgetary processes.

GRB uses a variety of tools to ‘follow the money’ from government budgets to its impacts and outcomes for different groups of men and women, boys and girls. It also involves strategies for changing budgetary processes and policies so that expenditures and revenues reduce the inequalities
between women and men. Over the past twenty years, governments, non-government organisations (NGOs), international organisations, aid agencies, researchers and grassroots activists worldwide have undertaken a variety of GRB initiatives, adapting tools and strategies to local circumstances (Budlender, 2007; Cooper and Sharp, 2007; Elson, 2006).

GRB brings into focus issues that are frequently overlooked or obscured in conventional budget 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 within as well as between families; and the extent to which women and men participate in budget decision-making.

GRB frequently has a focus on poverty as well as on gender equality. An example is Tanzania, where the Tanzania Gender Networking Programme (TGNP) has been active since 1997 in analysing the government budget from gender and poverty perspectives. TGNP has influenced the government of Tanzania to introduce gender analysis into its budget planning process, and to improve availability of poverty-related sex-disaggregated data. TGNP persuaded the National Bureau of Statistics to include a time-use survey as part of the Integrated Labour Force Survey in 2005, so as to make women’s unpaid work more visible.

In this chapter we will focus on three dimensions of budgets: decision-making, expenditure and revenue. We provide examples of how GRB has benefited poor women in a number of countries.
BUDGET DECISION-MAKING PROCESSES

The interests of powerful groups can converge to reduce public services, reduce taxation for high-income groups and further shift the burden of unpaid work to poor women. GRB can help elected representatives look at the budget from a gender equality perspective; increase the capacity of poor women elected representatives to play an active role in formulating the budget; and facilitate the participation of grassroots women in planning processes.

Parliamentarians in Uganda have been assisted to look at the budget from the perspective of poor women by briefings produced by the Ugandan women’s budget group, Forum for Women in Democracy. In the view of a former leading woman member of the Ugandan parliament these briefings gave gender issues ‘credibility and respect’.²

In some countries increasing numbers of poor women are being elected to city and village councils because special measures have been introduced to increase women’s political representation. A good example is India, where a constitutional amendment was introduced in 1992 that reserved one-third of all seats in local councils for women. The Karnataka Women’s Information and Resource Centre, with support from United Nations Development Fund for Women (UNIFEM), worked with poor women councillors (many of whom were illiterate) to ‘build budgets from below’.³ With some training the women gained the confidence to develop their own priorities for village-level expenditure. Where women councillors have been
able to play an effective role in budget decisions in West Bengal and Rajasthan, they have altered local spending patterns to meet women’s priorities (Chattopadhyay and Duflo, 2004).

Another way in which poor women can participate in budget decision-making is through participatory budgeting, pioneered in the city of Porto Alegre, Brazil, and adopted in many other cities in Latin America and Europe. At its best, participatory budgeting gives poor people a direct say in how local funds for new investment are used to improve local facilities (such as water and sanitation, drainage, paved roads, schools and clinics). In Porto Alegre women have always been present in large numbers in the neighbourhood participatory assemblies, typically constituting over half the participants. However, they were initially in a minority among representatives elected to the Area Forums and the city-wide Participatory Budget Council. Over time their share rose, and in 2000 half of the members of the Budget Council were women (Sugiyama, 2002:14). Some cities that have adopted participatory budgeting have also examined how budgets can be linked to the gender equality policies of the city. In Cuenca, in Ecuador, this led to earmarking of resources in the city budget for its Equal Opportunity Plan and guidelines to promote the hiring of more women on city investment projects.

Outcomes for poor women can be improved by increasing the participation of grassroots women at the development planning stage and facilitating a closer nexus between planning and budgeting. In Indonesia efforts have been made to make the local development planning process (Musrenbang) a forum for building the capacities of poor women to influence budgeting. GRB initiatives supported by the Asia Foundation and partners
enable grassroots women to assess the level of poverty in their community, to identify women's development needs in health and education, to understand the budget process, and to make demands for the allocation of resources to meet these needs. 4

GRB can introduce mechanisms into budgeting processes that require decision makers to take into account the needs of poor women. In response to GRB in Bangladesh, the Ministry of Finance's budget call circular which guides the budget submissions of ministries, was amended to require ministries to evaluate their performance against the poverty and gender objectives outlined in the Bangladesh poverty reduction strategy. Budlender (2007) argues that the use of gender-sensitive budget call circulars strengthens the relationship between policies, strategies and the budget cycle. As a result, there is an increased likelihood that poverty reduction policies for poor women are resourced and implemented.

EXPENDITURE

GRB has the potential to alleviate poverty for women and girls by improving the quantity and effectiveness of government expenditures in areas including infrastructure (water, energy, roads), services (such as education and training, health, access to credit, support for small business), income transfers (child payments, maternity leave, unemployment benefits, age pensions) and employment generation including the public service.

Investment in infrastructure, such as water, sanitation and energy, has the potential to reduce the unpaid work of poor people in poor countries. This
is particularly beneficial to poor women and girls, who bear most of the burden of fetching water and collecting fuel. In Tanzania, the Ministry of Water was one of six ministries included in the first phase of institutionalising gender analysis in budget processes, in collaboration with TGNP. As a result, poverty and gender issues were included in the guidelines for the water sector budget. TGNP advocated for more resources for water and can claim some credit for the expansion of the resources going to the Ministry of Water from 3 per cent to 6 per cent of the budget. TGNP has subsequently campaigned against the privatisation of water and to improve the access of poor women to water.

In some countries GRB initiatives have improved the delivery and funding of services. The Indonesian NGO, the Women’s Research Institute (WRI) has promoted the application of GRB to maternal health services at the provincial and district levels. For example in South Lombok they concluded that maternal health services could be improved if more resources were allocated to the salaries of midwives (as opposed to doctors) and the purchase of motorbikes and sterile equipment for midwives (instead of ambulances and buildings). This led to an increased budget allocation to maternal services in South Lombok over a period of 3-4 years.

Expenditure cutbacks may jeopardise services of importance to poor women. In Australia, a pioneer in GRB, efforts have at various times focused on ways to prevent declines in the funding of existing services. This was the case for Partnerships Against Domestic Violence (PADV), a government programme, which was allocated AUD$50 million (US$40 million) the period 1998–2003. However it was disclosed publically in 2002 by a woman
member of parliament, that unspent funds of around AUD$10 million had been reallocated to fund the provision of an anti-terrorism kit to households. In response the Federal Office for Women commissioned research which estimated the costs of domestic violence at AUD$8 billion (US$6.5 billion) per year. The study was used to advocate maintaining funding for domestic violence programmes.

Income transfers paid directly to women can alleviate poverty for them and their dependent children. In South Africa, GRB can claim some credit for the introduction of the child support grant, which is given to the primary caregivers of young children from poor households. This grant replaced an earlier grant that reached very few of the poor, black and rural women who needed it most. In Australia GRB was given renewed emphasis in 2009. Low-income working women and their children are major beneficiaries of the federal government’s 2009/10 budgetary commitment to introduce a national parental leave scheme in January 2011. This scheme provides a means-tested 18 weeks parental leave at the level of the federal minimum wage and according the official 2009 Budget Overview is included in the forward budget estimates at a cost of AUD$731 million (US$595 million) over five years.

Government expenditure can create jobs for poor women and men through public employment programmes targeted at poor people, but women do not necessarily benefit equally. In response to calls for budgeting that promoted gender equality and improved the situation of poor women, the South Africa government reviewed the Community Based Public Works Programme, to which 250 million Rand (US$32 million) had been allocated between 1994 and 1998. The Ministry of Finance reported in its 1998 Budget
Review that 41 per cent of those employed on the 599 projects were women. While this figure is lower than the female proportion of the population in the rural areas in which the projects operate, it would have been even lower without explicit targeting. Less positive findings were that women were more likely to hold the more menial jobs, had lower average wages, were employed for shorter periods and were less likely to receive training. The evaluation results formed the basis of the department’s strategy to fine-tune the programme and further improve targeting.10

TAXATION AND USER FEES

Taxation has an impact on poor people, both in terms of tax rates and the exemptions and allowances that are built into tax systems. The poorest people do not come into the income tax net, but they pay broad-based indirect taxes, such as sales tax and value-added tax (VAT). Indirect taxes are often regressive, with the poorest households paying a higher proportion of their income in taxes than the richest households because they have to spend almost all of all their income in order to survive. The regressive incidence of VAT on poor people can be mitigated by zero-rating basic items, especially food (see also Trotz, this volume). This is particularly important for poor women who are typically responsible for purchasing the day-to-day needs of the household. In South Africa a selection of basic foodstuffs has always been zero-rated, but some basic necessities were subject to VAT, including paraffin, which is bought by poor women for cooking, lighting and heating. The South African Women’s Budget Initiative, a collaboration of
parliamentarians and researchers, successfully argued for paraffin to be zero-rated, on the grounds that the annual revenue loss to the government would be small and the benefits would be a very well-targeted form of assistance to poor households, as better-off households do not make much use of paraffin (Smith, 2000).

In countries with a welfare state, welfare benefits have been increasingly delivered through the tax system, using tax credits of various kinds. The design of the tax credit system has been the focus of attention of the Women’s Budget Group of the United Kingdom (UK), a network of women researchers and policy analysts based in universities, trade unions and NGOs. In 1999 the UK government planned to abolish Income Support, a welfare payment to low-income families with children, which was paid to the main carer of the children, almost always the mother; and to introduce a Working Families Tax Credit, which would add money to the take home pay of the main earner in low-income families with children. The UK Women’s Budget Group pointed out that, since the main earner in two-parent low-income families was likely to be the father, this would take money away from poor women and give it to poor men, and would be likely to reduce the amount of family income spent on the welfare of children, since the evidence showed that poor men were likely to spend less of any extra money on children than were poor women. The UK Women’s Budget Group successfully lobbied for the Working Families Tax Credit to be changed, so that parents could choose whether it would be paid to the main earner or the main carer (St Hill, 2002; see also Lister, this volume).
In countries which charge user fees for public services poor people often cannot afford to use these services. In Mexico a gender budget analysis by academics involving a survey of the impact of user-pays policies on women found that the poorest and the richest women were accessing services less, with middle-income women using them the most. For example, the better-off women paid for private childcare services. The poorest women could not afford either private or public childcare services and could not comply with requirements of the latter such as providing disposable diapers (Cooper and Sharp 2006:219). In the context of the Mexican GRB efforts, Cooper and Sharp (2007) argue that such research projects have enabled women and their organisations to give voice to their concerns, and make government more accountable.

CONCLUSION

While GRB can benefit poor women, it not a panacea for poverty alleviation. In some countries GRB has been limited to training exercises funded by international aid with little lasting effect. In other countries there has been an over-emphasis on identifying expenditures targeted to women and girls which are only a small proportion of the total expenditure (5% of less). In all countries, GRB faces globalisation driven pressures to keep taxation and expenditure low. Nevertheless, GRB is unique in its ability to go beyond new laws and policies to focus on resources necessary for their implementation.
GRB has the potential to be a key element of a package of strategies to end women’s poverty.

NOTES


4. See, for example,


(accessed 15 June 2009).


6. This observation draws from recent research by one of us (Sharp) in conjunction with Monica Costa, on the Health Budget and maternal services in South Lombok, Indonesia.


8. See 2004 report on the cost of domestic violence to the Australian economy at


**SELECT BIBLIOGRAPHY**


