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Panel

**Financing for gender equality
and the empowerment of women**

Written statement*

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* The views expressed in this paper are those of the author and do not necessarily represent those of the United Nations.

Gender Responsive Budget Initiatives

The importance of gender responsive budgets in financing gender equality and women's empowerment

1. Budgets are the financial translation of a government's priorities and policies. It is through the budget that a government commitments to gender equality and women's empowerment move from paper promises to practical policies. Gender responsive budgeting has emerged in response to the recognition of the importance of national and sub-national budgets for gender equality and the slow progress in government commitments being translated into resource allocations. Gender responsive budget initiatives are strategies for 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. These initiatives are therefore a crucial means by which governments finance gender equality and women's empowerment.

2. About 60 gender responsive budget initiatives have been introduced in countries, ranging from the poorest to the richest, since the introduction of the first initiative in 1983 by the Australian Government. The growth in initiatives has occurred during the past decade following the country pilots, research and resources generated by the Commonwealth Secretariat in the 1990s (a program subsequently taken up and transformed by UNIFEM). The theory and practice of gender responsive budgeting has emerged as a diverse and rapidly growing field. It has been characterised by the development of new conceptual frameworks, rationales of gender responsive budgeting, methods of gender budget analysis, country case studies and lessons, gender indicators of budgetary and policy performance, training manuals, stakeholder strategies, international networking and relatively modest funding and technical assistance from a range of donors and international agencies.

3. This briefing paper will canvass:

- Ways in which gender responsive budget initiatives have improved budget results
- Key lessons and challenges for stakeholders
- Future research

Examples of ways in which gender responsive budgets have improved budget results

4. A central characteristic of gender responsive budget initiatives is that they seek to improve the results of budgets generally, and for gender equality and women's empowerment in particular, by giving a focus to:

- the role of unpaid work in economic and social outcomes (and women's disproportionate responsibility for unpaid work)
- resource allocation within, as well as between, families

- the impact of expenditures and taxation on poor women and their dependants.

5. In collaboration, Diane Elson and I have begun the process of identifying broad ways in which budgets have been improved¹. They include:

- Improved statistics and indicators
- Improvements on the expenditure side of the budget
- Improvements on the revenue side of the budget
- Improvements in the budget decision-making process
- Improvements in aid related policy processes

a. Improved statistics and indicators

Improvements in the availability of sex disaggregated data (essential for assessing budgetary impacts) through better utilisation of existing data (including census and agency collected data) and the collection of new data

6. Australian national, state and territory government 'women's budget' published budget documents utilised a range of published and agency sex disaggregated data. At the national level, 14 Gender Equality Indicators (GEIs) were developed in the 1990-91 and 1991-92 Women's Budget Statement which linked the women's budget initiative with the monitoring of the five year National Agenda for Women Action Plans.

7. The Republic of the Marshall Islands Statistician gave the first presentation of census data in a sex disaggregated form in 2003 as part of a gender budget pilot (Sharp and Vas Dev 2004).

Improved indicators of outputs and outcomes:

8. The UK Government adopted gender-sensitive target setting (an increase from one gender-sensitive target out of the initial 170 targets to half a dozen gender-sensitive targets across a wider range of issues and agencies).

9. The Government of Rwanda incorporated input from a gender budget consultant in its move to performance-oriented budgeting (Diop-Tine 2002).

10. The Samoan youth and gender-sensitive budget pilot initiative led to the removal of inappropriate output indicators from the budget documents (Sharp, Vas Dev and Spoehr 2004).

¹ Sharp, Rhonda & Elson, Diane 2006, *Gender Budget Initiatives: Briefing Note for AusAid*, University of South Australia, Adelaide.

b. Improvements on the expenditure side of the budget

Improved reporting on specifically targeted allocations to women:

11. India has women-targeted programs and pro-women components (set at 30% of beneficiaries) of mainstream poverty alleviation programs. The budget documents now monitor trends in the allocations and actual expenditure for these two types of expenditures).
12. South Korea's Ministry of Gender Equality produced a white paper on women related issues which introduced the concept of gender budgeting and the budget amount for women-related policy was reported. (Jung Sook 2002).
13. France produces a yellow budget paper which reports programs specifically targeted to women and measures to improve gender equality in public sector employment (UNIFEM 2002).

Improved reporting on the gender dimensions of mainstream programs:

14. 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 pensions (Sweden 2006).
15. South Africa, in the 1998 national budget in particular, reported on the gender dimensions of selected programs. For example, it assessed the roles of women in the basic water supply programme as employees (14%), trainees (16%), contractors (0), consultants (25%) and steering committee members (20%). It also assessed the average time spent by rural women in collecting water (74 minutes) because of the lack of tapped water (South African Department of Finance 1998).

Assessments of funding adequacy for achieving agreed objectives:

16. A costing of the implementation of the South African Domestic Violence Act was undertaken by the civil society Women's Budget initiative (Budlender et al 2002).

Tracking of the disbursement of funds from the budget to their planned or expected use:

17. A UNIFEM sponsored gender budget initiative in India included tracking a major poverty alleviation program in West Bengal (Banerjee 2004).
18. A gender audit of the budget's disbursement was undertaken by a research Institute in Nepal (Acharya 2004).
19. Women's organisations in Brazil in the 1990s undertook expenditure tracking on health and violence against women. Findings were published of the low

implementation and disbursement rates and the limited social impacts. Armed with this information, the women's organisations advocated for improvements in budget allocations and disbursement and were met with a positive response from the Government (Raes 2006).

Promotion of the importance of cross agency collaboration and program delivery:

20. The RMI gender budget pilot proposed a cross agency collaboration in the initial 2004 budget negotiations as a means of dealing with teenage pregnancy involving health, education and the ministry of women (Sharp and Vas Dev 2004).

Inclusion of Equal Employment Opportunity (EEO) principles in government contracts and its implementation in government purchaser/provider agreements:

21. The gender budget initiative of the municipality of Quito in Ecuador recommended that 30% of contracts for public works be assigned to women contractors (Pearl 2002).

c. Improvements on the revenue side of the budget

Redesign of tax/benefit system:

22. Following an analysis by a civil society group (UK Women's budget group), the UK Government redesigned its tax credits for child care to ensure that they could be paid to the main carer rather than the main earner (St Hill 2002).

Redesign of the personal income tax:

23. 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 the 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).

Redesign of indirect taxes:

24. The South African civil society women's budget initiative undertook an analysis of indirect taxation and identified taxes on necessities such as paraffin as 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 and 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).

d. Improvements in the budget decision-making process

Capacity-building of elected representatives:

25. 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).

26. 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 have used budget debates to raise public awareness on gender issues, asked for reports from Ministers and have held hearings with civil society (Govender 2002)

Strengthening the advocacy capacity of women's NGOs on budget matters:

27. 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 are 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).

Increasing the gender sensitivity of participatory budget processes:

28. Participatory budget processes have been introduced in a range of Latin American countries at the municipal level. Initially they paid little attention to gender equality issues. Gender budget initiatives have been working to improve women's participation and to increase a focus on gender equality issues. In the City of Villa El Salvador in Peru 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).

e. Improvements in aid related policy processes

Highlighting gender issues in public expenditure reviews and poverty reduction strategies

29. 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).

Key lessons and challenges for stakeholders

30. A large literature now exists on the lessons of individual initiatives. Here I will address common lessons and their implications for stakeholders.

31. *Firstly*, the emerging results of gender responsive budget initiatives support their role in financing gender equality and women's empowerment. Moreover, it is now well recognised that generating improved budget results requires a long term commitment that goes well beyond a few budget cycles. *The question for stakeholders has increasingly shifted from 'Will we introduce a gender budget initiative? To 'How can a gender responsive budget be achieved and sustained?*

32. *Secondly*, despite achievements, the international experience has demonstrated that a common experience of gender responsive budget initiatives is that many never get beyond sensitising stakeholders to gender issues in the budget and auditing past budgets for their gender impacts. In other words, *there is gap between gender analyses of the budget and the implementation of a budget responsive to gender*. If gender responsive budget initiatives are to fulfil their potential in financing gender equality and women's empowerment then this gap has to be addressed.

33. *Thirdly*, Governments are more willing to introduce budget analysis than implement a gender responsive budget. *As well as being technical initiatives gender responsive budgets require stakeholders to create the political will for their implementation*.

34. There are many stakeholders in gender responsive budget initiatives. They include obvious groups from civil society, government and the international community such as women's and social justice oriented NGOs, gender advocates and activists, Ministry's for Women, Ministry's of Finance, women parliamentarians, various Ministers, social service providers, economic development and planning agencies, gender consultants and academics and donor and international organisations lending financial and technical assistance. However budgetary politics influencing the distribution of resources involve other, often more powerful, stakeholders including national and international finance organisations, business lobby groups, large donors, the media and the cabinet of government. The interests of these groups can converge to reduce public services, reduce taxation for high income groups and shift the burden of social reproduction and care to women. These are policies which the advocates of gender responsive budgets contest for their gender biases and it requires strategic alliances to do so effectively.

35. *Fourthly*, while gender budget initiatives have yet to fully engage with the performance budgeting reforms, *gender responsive budget initiatives are a results-based approach and there is potential to engage with the perverse and contradictory allocation of public resources that ignore the monetary and non-monetary costs of market related biases and the substantial contribution of the care economy where women are disproportionately represented*. This will require strategies for engaging with actors within the state driving the performance of budgeting reforms.

Future research

36. An overarching research agenda to underpin gender responsive budgeting is yet to be mapped out. Existing research is multidisciplinary with contributions from public finance, feminist economics, development economics, public policy, sociology, political science and public administration.

37. Central elements to the future research should include further exploring the following broad questions:

- How can the results-based approach of gender responsive budget initiatives be further developed, what results can be expected and how might they be measured?
- What is the relationship between public spending and revenue raising and the care economy?
- How can stakeholders create the political will for the implementation of gender responsive budgets?
- How can the international community effectively support the implementation of gender responsive budgeting?
- How can gender responsive budgeting inform gender mainstreaming and how can the conceptual frameworks, practices and lessons of gender mainstreaming inform the former?

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