

GENDER RESPONSIVE BUDGETING



**A tool for gender mainstreaming,
improving government accountability
&
financial transparency**

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Workshop Objectives I: Gender Responsive Budgeting Introduction

◆ Discussion of:

- **gender & national budgeting**
- gender responsive budgeting
 - » **what (definition)**
 - » where (examples)
- **gender & public spending**
- gender & revenues

National Budgets

- ◆ Most important economic policy instruments of governments
- ◆ They reflect the values of a country - who it values, whose work it values & who it rewards
- ◆ Reflect choices that governments have to make
- ◆ The government must balance a range of legitimate demands with limited resources at its disposal
- ◆ They are assumed to affect everyone more or less equally.

National Budgets

- ◆ In the budget, government sets out what it is going to spend (**expenditure**) and the income it collects through taxes (**revenue**), which it needs to finance expenditure.
- ◆ **Functions of a government budget**
 - Allocate resources
 - Distribute income and wealth
 - Stabilize the economy

Gender & National Budgets

- ◆ Budgetary policies can have significantly different impacts on women & men & on different groups of women & men
- ◆ Good policy requires understanding both the impact of policy & how it might be better designed to achieve outcomes which meet the needs of women & men & different groups of women & men

Centrality of Disaggregated Data

- ◆ Disaggregated data is needed to demystify the assumed neutrality & specifically gender neutrality of the budget
 - ◆ Disaggregated data can expose how tariffs, industrial relations, taxation, education, employment or industrial policy impact on women due to their different location in the family and in the economy
- ? who gets the jobs, what are the nature of jobs created, who gets the subsidies, the housing, what are the policy assumptions in the budgets, are women assumed as dependent bread winners, mothers, wives, workers?
- ?

**THESE ARE EXACTLY THE
KIND OF QUESTIONS GENDER
SENSITIVE BUDGETS ASK**

Gender Sensitive Budgets are...

a variety of processes and tools aimed at facilitating an assessment of the gendered impacts of government budgets. In the evolution of these exercises, the focus has been on **auditing government** budgets for their impact on women & men, girls & boys.

Defining Gender-Sensitive Budgets

- ◆ Are **NOT** separate budgets for women or men
- ◆ Gender sensitive **ANALYSIS** of government budgets, rather than formulation of separate budgets
- ◆ Focus **NOT ONLY** on portion of budget that is seen as gender or women related, **BUT...**
- ◆ Examine **ALL** sectoral allocations for their differential impact on women, men, girls & boys
- ◆ Focus on **reprioritization** of budgets and **NOT** expanded spending

Gender Analysis of Budgetary Processes

- ◆ The Budgets are part of larger policy processes
 - *policy*
 - **budget**
 - *program*
 - *performance*
- ◆ Gender sensitive budgets are analysis of the larger policy processes including budgets themselves

Location: NGO, government or both?

- ◆ **NGO initiatives:** UK, Switzerland, Canada, and Zimbabwe (academic), Malawi
- ◆ **Joint NGO and parliamentary initiatives:** South Africa, Tanzania
- ◆ **Government Initiatives:** Namibia, Uganda (parliament), Botswana, Australia

Key Characteristics of Implementation

- ◆ **Initiative/Leadership** – **WHO** initiated it (NGO, parliament, government, agency)
- ◆ **Scope of the exercise** – **WHERE & WHAT** (national, provincial, expenditure, revenue, all or selected portfolios)
- ◆ **Recipients** -- **FOR WHOM** or who gets trained (elected officials, NGOs, citizen's groups, researchers)
- ◆ **Report format** – **WHAT FORM** (separate review or discussion document or part of integrated public documents)
- ◆ **Political dynamics** -- **WHO** is involved, uses it, funds it, has the power to enforce accountability, and **resists it**?

Initiative Leadership

- ◆ Donor agency
- ◆ NGOs
- ◆ Research institution
- ◆ Parliament, or parliamentary body
- ◆ National government
- ◆ National ministry
- ◆ Local government

Scope of the Exercise

- ◆ National
- ◆ Regional
- ◆ Sectoral
- ◆ Expenditure
- ◆ Revenue
- ◆ All portfolios
- ◆ Selected Portfolios

Report Format

- ◆ separate review
- ◆ discussion document
- ◆ part of integrated public documents

Target Group of the Initiative

(training, policy advocacy, TA)

- ◆ High level government policy makers
- ◆ Ministerial staff, medium level bureaucrats
- ◆ Parliamentarians
- ◆ NGOs and other citizen's groups
- ◆ Researchers

Donor initiatives

◆ Commonwealth Secretariat

- concentrated around government capacity building
- supported exercises in Sri Lanka, Barbados & Fiji.

◆ UNIFEM

- focus on civil society--a series of regional workshops
- led the Interagency Meeting on Gender Budgets in Brussels in October 2001 for mainstreaming

◆ UNDP

- pilot approach with a focus on participatory budgeting
- the potential for improved economic governance



PUBLIC EXPENDITURES

Public Expenditures

- ◆ *Transfers*: pensions, unemployment benefits, child care, maternity benefits, etc.
- ◆ *Subsidies*: agricultural products, food, export
- ◆ *Services*: public goods and utilities such as law and order, health, education, electricity, water, roads

Impact of Public Expenditure on the Poor and on Women

- ◆ influences macroeconomic balances, fiscal & trade deficits and rate of inflation which affect living standards directly (change in real income) & indirectly (change in growth)
- ◆ creates incomes, some benefiting the poor and women, e.g. spending on primary schools generates income for more women than on universities
- ◆ generates transfers, cash or monetary transfers (pensions, unemployment insurance) or in kind (public services like health and infrastructure)

Category 1: Targeted gender-based expenditures of government departments spending on national women's machineries, small discretionary funds for special programs that are not mainstream spending by government agencies. Women's health programmes, Special education initiatives for girls, Employment policy initiatives for women, etc.



Category 2: Equal employment opportunity expenditure by government agencies on their employees. For example, training for lower level clerks (where women may predominate), paid parental leave, childcare facilities for children of employees.



Category 3: General/mainstream budget expenditures by government agencies which make goods or services available to the whole community, but which are assessed for their gender impact. Who are the learners in government-provided literacy classes? Who benefits from farming support in the agriculture budget? Who are the users of clinic services?



TOTAL EXPENDITURE

Place in one of the 3 categories

- ◆ Women Entrepreneur Unit Funds - Women's Ministry
- ◆ Money for the government's basic orphans pension
- ◆ Money to make housing allowances for women government employees equal to that for men
- ◆ Money for adult literacy classes
- ◆ Labor Act against harassment--Ministry of Labor
- ◆ EPZ Labor Welfare fund facilities--including creches, clinics--Ministry of Labor
- ◆ Money for gender training for police officers
- ◆ Money for the government old age pension

Data Needs

- ◆ Gender responsive budgets require data to assess
 - inputs (budget or staff allocations)
 - activities (services planned and delivered)
 - outputs (utilization of activities, beneficiaries)
 - outcomes (planned and actual achievements like increased health, education, time availability, etc.)
- ◆ Systematic generation of sex-disaggregated data in all ministries/departments & local authorities across all levels is needed

Indicators for measuring impact of expenditures on women

- ◆ An indicator measures & provides an estimate
- ◆ A budget indicator measures impact of expenditures
- ◆ Examples of indicators for measuring impact of expenditures on women could be in:
 - *Health*
 - # of women and men doctors employed by government
 - # of pregnant women receiving free health care
 - # of children under 6 years old receiving free health care
 - *Education*
 - # of women & men maths and science teachers
 - # of girls taking & passing maths and science at grade 12 level

Indicators for measuring impact of expenditures on women (cont'd)

◆ *Welfare*

- # of women & men receiving welfare grants (old age pension, disability, and so on) by type of grant
- # of women & men in care institutions like old age homes.

◆ *Safety and security*

- # of women & men police at each level
- # of arrests for child abuse.
- # of arrests for rape.

Tools and Techniques

- Tool 1: Gender-Aware Policy Appraisal
- Tool 2: Beneficiary Assessments
- Tool 3: Public Expenditure Incidence Analysis
- Tool 4: Gender-Disaggregated Analysis of the Impact of the Budget on Time Use
- Tool 5: Gender-Aware Medium-Term Economic Policy Framework
- Tool 6: Gender-Aware Budget Statement

Tool 1: Gender-Aware Policy Appraisal

- ◆ Looks at policies and services provided from a gender perspective by asking: Are the policies and their associated resource allocations likely to reduce, increase or leave unchanged gender inequalities?
- ◆ Each Ministry conducts a gender-aware policy evaluation of its planned expenditure prior to the budget (attach as an Annex to the Budget Statement)
- ◆ NGOs and research organizations can then carry out their independent evaluations of expenditure policy.

Tool 2: Beneficiary Assessments

- collect and analyze opinions of men and women on how far current forms of public service delivery meet needs and how can current patterns of public expenditure accord with their priorities
- Opinion polls, attitude surveys, participatory rapid appraisal processes (including focus group discussions, participant observations, semi-structured and conversational interviews, preference ranking and scoring, and institutional diagramming) are some of the instruments

Tool 3: Public Expenditure Incidence Analysis

- ◆ A quantitative tool for assessing the distribution of public spending by gender, race, income, region, etc.
- ◆ Two sorts of measurements needed:
 - measurement of unit costs of providing a particular service
 - measurement of the number of units utilized by men and women
- ◆ Unit costs of services and utilization rates are used to calculate the level of resource transfers
- ◆ Calculations can be made by government, or independent researchers

Tool 4: Gender-Disaggregated Analysis of Impact of Budget on Time Use

- ◆ Make visible implications of national budget for household time budgets
- ◆ Reveal the macroeconomic implications of unpaid work in social reproduction
- ◆ Household surveys and time use surveys disaggregated by gender and age can reveal interconnections between government's budget and household time budgets



Living Standards Measurement Surveys (LSMS)

Tool 5: Gender-Aware Medium-Term Economic Policy Frame

- Create a medium term macroeconomic policy framework incorporating differentiated roles of men and women in economic activity
- Economy-wide models such as financial programming models, fixed coefficient, two-gap, growth accounting models, macroeconomic models and computable general equilibrium models



Medium-Term Expenditure Framework (MTEF)

Tool 6: Gender Aware Budget Statement

- Show expected implications of the expenditure estimates, in total and by Ministry, for gender inequality
- Disaggregation of projected expenditure into gender relevant categories is the key instrument
- can be produced by Ministry of Finance in cooperation with other Government Ministries
- if no official gender-aware budget statement, then research institutes/NGOs can calculate gender relevant disaggregations from budget estimates



REVENUES

Revenues

- ◆ **Taxes:** income, expenditure (VAT), wealth, land, tariffs on imports, capital gains, inheritance, etc.
 - **Direct Taxes:** Personal income taxes, standard income taxes on employees, pensions and retirement funds, medical aid, other deductions and allowances, corporate taxes, capital transfer taxes, trade taxes
 - **Indirect Taxes:** Value Added Taxes (VAT), transfer duties, gas taxes, alcohol and tobacco taxes, etc.
- ◆ **User Charges:** electricity, water, education, health
- ◆ **Other funds:** donor funds (loans, grants), revenue from asset sales, revenue from alcohol sales

Personal Income Taxes in Tax Reform

- ◆ In '90 UK converted income taxes to individual taxes where non-labor income was no longer attributed to husband only
- ◆ In '94 South Africa changed rates for married people, single people & married women to correct for higher rates applied to single people & married women
- ◆ In 1991, Malaysia moved from a system where the income of a married woman was attributed to her husband unless she chose separate assessment to a system in which husbands and wives are treated as separate taxable units, (though the wife's income is still reported on the husband's tax return and joint assessment is still allowed)

Gender Implications of Tax Reform

- ◆ The main stated goal of tax reforms is to stimulate economic activities and to promote a more efficient and equitable allocation of resources.
- ◆ Broadening the tax base, introducing more uniform rates and shifting between direct, indirect and corporate taxes are methods used to reach goals.
- ◆ Most tax reforms rarely make a commitment to gender equality as an objective.
- ◆ Only in the case of personal income taxes, tax reform efforts recognize the gender differentiated impact of taxes.

User Fees

- ◆ User financing of basic social services as a cost sharing mechanism common practice since the 1980s
- ◆ In Africa cost sharing is extensive and governments see user fees as alternative to tax-based financing for public services
- ◆ Supporters say they can promote greater accountability, improved services and more responsibility among users.
- ◆ Evidence on efficiency & effectiveness of user fees is limited. There is accumulating evidence on equity losses
 - In Kenya, government introduced user fees for inpatient and curative outpatient care at hospitals and health centers in late 1989 & removed outpatient registration fees 1yr later. Households reported lower levels of utilization of public hospital& health centers with full fees than after the registration fees were lifted

Impact of User Fees (on *HH Budgets*)

- ◆ Few studies exist on the impact of fees on household budgets and the ability of poorer households to pay fees.
- ◆ With the introduction of user charges, the cost of education can be such a large share of incomes that it can become prohibitive.
- ◆ In Vietnam, households in the lowest income quintile have to spend 22 % of their non-food income to send a child to school, x2 as much as households in the richest quintile.
- ◆ Four out of five main constraints to female secondary enrollment in Bangladesh were related to costs.

Conclusions--Gender Responsive Budgets are...

- Practical **monitoring and auditing exercises** for gender mainstreaming and development effectiveness
- Opens budget processes and decisions to women's, citizen input
- Provide **feedback on performance** for governments
- Provide information which allows better decision making as to how policies need to be adjusted or changed and where resources need to be reallocated

Strategies for Government

- Allocating funds supporting research and data
- Engaging national statistical offices for new data
- Providing gender-disaggregated information on budgets
- Identifying stakeholders and establishing coalitions/national task forces among researchers, NGOs and parliamentarians
- Planning government visits to countries with such initiatives
- Organizing gender budget workshops at different levels
- Establishing pilot regions, and sectors for launching gender sensitive budget initiatives

Strategies for Researchers

- Identifying gaps and priorities in data and research
- Collecting new data
- Reviewing existing data
- Partnering with government researchers to conduct research
- Collaborating with national statistical offices
- Designing and conducting research
- Employing one or more of the existing research tools
- Monitoring government data and research
- Partnering with NGOs in developing strategies to engage with government

Strategies for NGOs

- Gathering and disseminating information
- Consensus building
- *Advocacy and target setting*
- Providing a forum for preparation and negotiation
- **Technical coordination**
- Coordinating action among national, international agencies
- *Sharing of country experiences*
- Building institutional capacity and partnerships
- *Disseminating popular explanations of gender budgets*

Engaging Donor Support

- Provide resources for assessments, TA, training
- Hold sensitization and training workshops for government, researchers & NGO representatives at the national level
- Establish coordination at the interagency level among interested donors, government institutions and NGOs
- Incorporate gender budget work into international initiatives such as Finance for Development and 20/20 initiative (reduce poverty by committing 20 % of development assistance & 20 % of national budgets to social-programs)
- ◆ Use gender budgets to establish baselines and measure results/impacts

Websites for more information on gender budgets

UNDP/UNIFEM

- ◆ http://www.undp.org/poverty/resources/gender_budgets.htm
- ◆ http://www.undp.org/seped/publications/conf_pub.htm#Series%204
- ◆ <http://www.unifem.undp.org/progressww>

South Africa

- ◆ <http://www2.womensnet.org.za/budget/>
- ◆ <http://www.idasa.org.za/final/publications/>

International Budget Project

- ◆ <http://www.cbpp.org/>
- ◆ <http://www.internationalbudget.org/>

Commonwealth Secretariat

- ◆ <http://www.thecommonwealth.org/index1.htm>

More Information on this presentation...

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THANK YOU!

