

## **TINKER INSTITUTE ON INTERNATIONAL LAW AND ORGANIZATIONS**

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### **Gender Mainstreaming Strategy: Gender Responsive Budgeting**

*If you want to see which way a country is headed, look at the country's budget and how it allocates resources for women and children." Pregs Govender MP, South Africa*

One of the most important developments in the past century was the entry of women into economic and political activities previously undertaken mostly by men. Although many countries are making progress in the reduction of gender disparities, women still fall behind men in terms of having access to education and appropriate health care, paid employment opportunities and political participation.

Countries across the world are politically and economically at different development stages, and the status of women changes accordingly. In some countries such as Sweden, women have the more legal, political and economic rights compared to other countries such as Rwanda, where women lack legal protections for fundamental rights, such as health care and education and, most importantly, freedom from domestic violence. Therefore, countries have taken actions through the United Nations and determined goals to promote gender equality, particularly in budgetary processes.

Many countries have passed equal-opportunity laws and adopted United Nations resolutions on women's empowerment. They recognize the moral and legal case for gender equality and are persuaded by the economic benefits of the notion that educating and employing women increases economic growth and tax revenue (European Institute for Gender Equality, 2017). According to the McKinsey Global Institute, in Latin America, for instance, eliminating

sexual inequality in the labor market increased GDP by 34%. Closing gender gaps, however, requires more than non-discrimination policies. As countries recognize that macroeconomic policies narrow or widen gender gaps in sectors such as health, income, education, and nutrition and make the living standards of women and men better or worse, some national and local governments are turning to gender responsive budgeting strategy.

### **What is Gender Responsive Budgeting?**

Gender responsive budgeting is a strategic policy approach that can improve the efficiency and equity of the budget process, contributing to positive results for women and girls and societies in general. It requires that men and women receive an equal piece of the public budget pie. Gender budgeting means looking at a budget through a gender lens so that public funds are equally distributed between the needs of women and men (EIGE, 2017). It doesn't mean that there are two separate budgets for women and men; it simply means budgets where the gender perspective has been taken into consideration in all phases from planning to decision-making to implementation in order to equally serve the different needs of women and men.

The Council of Europe defines gender responsive budgeting as a “gender-based assessment of budgets incorporating a gender perspective at all levels of budgetary process and structuring revenues and expenditures in order to promote gender equality.” (Council of Europe, 2005)

It has been determined by the Gender Equality Institute that there are three elements of gender budgeting:

1. To promote accountability and transparency in fiscal planning.

2. To increase gender responsive participation in the budget process, for example by undertaking steps to involve women and men equally in budget preparations.
3. To advance gender equality and women's rights.

According to an International Monetary Fund policy paper, gender budgeting has been defined as a strategy to reduce inequality and achieve equality between women and men by focusing on how public resources are collected and spent (IMF, 2017). Due to the fact that gender perspectives are not always considered in budgeting processes, budgets are often perceived as being gender neutral. However, research shows that “lack of attention to gender issues actually leads to gender-blind budgets and thus to suboptimal decision making” (EIGE, 2017).

### **Origin and Spread of Gender Budgeting**

Even if the term “Gender Responsive Budgeting” is not familiar to us, the original approach to gender budgeting was first developed in Australia in the 1980s (Sharp and Broomhill, 2002). Australia’s landmark gender budgeting initiative required government, ministries and departments to analyze the impact of the annual budget on women and girls with a focus on public expenditures. Only fifteen years after that, Gender Budgeting was given additional importance by the Fourth World Conference on Women at Beijing 1995 “where a platform for action called for ensuring the consideration of a gender perspective and women’s needs in budgetary policies and programs” (Sharp and Broomhill, 2002). Since then, numerous other international agreements and declarations reiterate this commitment to using government budgets for gender equality and women’s advancement objectives.

Today gender responsive budgeting is widespread; more than eighty countries have demonstrated some attempts at gender budgeting (EIGE, 2017). Some countries have adopted or modified fiscal policies and some programs to ensure that the budget contributes to closing gender gaps and aids women's advancement. For instance, South Korea is increasing funding of programs that aim to reduce the burden of domestic work for women, allowing them greater opportunities to participate in the work force. Other countries started this process by collecting information on the different needs of women and men, and different effects of fiscal policies on building this information into budget arrangements and monitoring political systems. Canada's government produced a model Gender Budget Statement (GBS) that provides gender-based analysis of the budget, as well as identifying the ways policies may affect women differently than men. Some countries have achieved concrete changes on administrative and fiscal policies, whereas some countries however have made little or no progress on their fiscal policies (International Budget Partnership, 2017).

## **How does Gender Budgeting Work?**

Gender budgeting starts from a gender analysis therefore increasing the use of public money. This process should involve government officials, civil society organizations, parliamentarians, gender advocates, academia and local communities who play a significant role.

The European Institute for Gender Equality suggests that there should be common elements in order to put in place an effective implementation of gender budgeting. Some of these are analysis of budgets and policies from gender perspectives; linking gender budgeting to overall gender equality objectives; restructuring budgets and amending policies; integrating

gender perspectives throughout the budget cycle; monitoring and evaluation of achievements; transparency of budget process; and lastly participation in the budget process (EIGE, 2017).

Gender analysis of budgets allows governments to gain an understanding and raise awareness of the gender differentiated impacts of budget allocations and policies. A gender analysis of a budget demonstrates the needs of women and men among the target group of the budgeting. The challenges and barriers faced by those in the target group who lack access to services, indicates that budget policies need to be taken into consideration when participation rates are different.

There are different analytical methods or tools to be used when it comes to conducting an analysis, like “beneficiary assessments, gender-aware public policy appraisal, and gender-disaggregated tax incidence analysis” (EIGE, 2017). It is essential to emphasize that integrating gender analysis into regular budget planning is an important part of the implementation of budget policies. Therefore, if a gender analysis of a budget is integrated into the regular budget cycle, decision-makers can better achieve the reductions in gender inequality.

According to Gender Equality Institute, there are several key principles underlying a high-quality budget process. First of these principles is **accountability**, applying gender budgeting to make governments accountable for their gender policy commitments. Women’s Budget Groups and other civil society organizations and the media play a crucial role by monitoring and holding government accountable for their budgets. The second is **transparency**; if gender responsive budgeting is applied in a systematic manner, the participation rate in the budget process will be increased and thereby the decisions reached will be more transparent of women. Another principle is **performance and result orientation**. The Gender Equality Group states that a “true performance-oriented approach only happens when gender budgeting is

integrated in performance budgeting.” The reason behind this approach is the evidence on performance from gender perspectives that gender budgeting that encourage the most effective and efficient allocation of resources and implementation policies. The last principle for a high-quality budgeting process is **effectiveness**. Gender budgeting provides more evidence-based decision-making strategies, and this ensures the effective use of public funds.

One of the significant features of the gender budgeting process has been the political will of governments to adapt the methodology to the specific situation, needs, interest and capabilities (International Budget, 2003). Based on the recognition that each situation is unique, the political will to innovate in budget planning is one of the significant ways of building capacity and local ownership.

A relationship between gender, power, decision-making and resource allocation has been identified by numerous conferences on women's rights. In many developing countries, including Botswana, women will always be disadvantaged in resource allocation. As the author explained, “The disadvantage manifests itself in many problems, particularly feminized poverty and diseases such as HIV infection” (Bothale, 2011). Since the effects of the global financial crisis are not gender-neutral, women and girls, as vulnerable groups, agents and actors must be protected by specific gender-responsive budgeting.

Gender responsive budgeting usually is perceived as increasing the responsiveness of fiscal policy, enhancing governance or encouraging civil society participation. While true, it is important to see that the methodology used in gender budget work essentially helps improve the efficiency, economy and gender equity of development strategies overall.

## **Does Gender Responsive Budgeting Work?**

Gender responsive budgeting is a long and substantial process and public spending works are conceptually and practically challenging. Commonwealth Secretariat in Europe states that “any of new variants of thematic budgeting such as climate budgeting; environment budgeting; child-focused budgeting; pro-poor budgeting have an impact is even more difficult.” However, there are many individual cases of gender budgeting leading to changes in spending, and reports of positive responses from the governments. (Commonwealth Secretariat, 2002)

It has been nearly a decade since UN Women globally pioneered gender responsive budgeting by providing all kinds of support. Their work demonstrates that gender responsive fiscal legislation and policies increased capacities across government, created systems to track gender budget allocations, and increased budgets for gender equality and women’s empowerment (UN Women). For instance, Albania integrated gender into its budget law and gender responsive budgeting in its Public Finance Management Strategy. Their action contributed to an increase in the total budget allocation to gender equality from \$37 million to \$297.9 million planned allocations for 2019. Another example is Nepal, where the government introduced gender responsive budgeting to all ministries as part of budget reform. The country developed and refined a tracking system to capture gender responsive investment data. Gender responsive budgeting allocations increased from \$976 million to \$2.10 billion in 2017 (UN Women, 2017).

Studies show that if a woman receives training in gender responsive budgeting that gives her the skills to analyze local plans and budgets and advocate for women’s priorities, that woman can make efforts to help her community, including bringing women’s voices into decision making on water access, and improving health services for pregnant women. (UN Women)

## **Why is Gender Budgeting Important?**

“Gender budgeting is not a special approach to budgeting or even an add-on to budgeting; rather, gender budgeting is an approach to budgeting that can improve it, when fiscal policies are structured to address gender inequality and women’s development needs. When properly done, one can say that gender budgeting is good budgeting.” (Stotsky, 2016) Besides the fact that gender equality is a fundamental human right, achieving it brings socio-economic benefits including increasing the rate of economic growth, higher labor productivity, healthier citizens and a more responsive government (Stotsky, 2016).

According to European Institute for Gender Equality’s studies, more gender equality now would lead to increase individual gains up to 12% per capita by 2050, and more jobs will be created (between 6.3 to 10.5 million) by 2050 (EIGE, 2017).

## **Conclusion**

Let’s think about it. Should women play handball with the same ball size as the men? Should women soldiers wear the same size cotton uniforms as male soldiers? Are streets safe for women in the evenings? Should only women quit their jobs to take care of the elderly and the children in the family? The answers are no, because women perform better when playing with suitable sports objects, women should wear comfortable uniforms, women are more vulnerable in gender-based violence by walking alone at night and women usually sacrifice their careers in order to be the main caregiver in the family. Therefore, it is essential to work towards creating an environment in which both women and men have equal opportunities and equal benefit from funds and services.

Having gender equality at the heart of budgeting strategy would make an inclusive economic system, allow women to meet their full potential and benefit the society as a whole. Integrating a

gender budgeting methodology into the ordinary budgetary process enables governments to have a better understanding of different impacts of budgetary policies on women and men as well as achieve smart, sustainable and inclusive economic growth.