

Gender Budget Initiative



*A
Commonwealth
Initiative to
Integrate
Gender into
National
Budgetary
Processes*



Commonwealth Secretariat

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The Commonwealth Gender Vision

The 1995 Commonwealth Plan of Action on Gender and Development is founded on a unifying vision of:

“a world in which women and men have equal rights and opportunities at all stages of their lives to express their creativity in all fields of human endeavour, and in which women are respected and valued as equal and able partners in establishing values of social justice, equity, democracy and respect for human rights. Within such a framework of values, women and men will work in collaboration and partnership to ensure people-centred sustainable development for all nations”

The Plan of Action advocates the systematic integration of a gender perspective into the mainstream activities of governments and urges a more equitable distribution of resources and sharing of power and decision-making responsibilities between women and men.

The integration of a gender perspective into macroeconomic policies has become a critical area of focus in the Commonwealth's efforts to achieve this vision. There are clear benefits to society if macroeconomic policies are

designed in ways that reduce gender inequality. These benefits have both an equality and efficiency dimension which can include increased output in goods and services, increased participation in decision-making, increased conservation of the environment, increased leisure, and increased life satisfaction and capacity to enjoy good health.

The Commonwealth Gender Budget Initiative: Strategic goals

A gender sensitive budget makes good economic sense. The main objective of engendering the national budget is to improve the analysis of the incidence of budgets, attain more effective targeting of government expenditure and offset any undesirable gender-specific consequences of previous budgetary measures. The national budget has been selected as the entry point for integrating gender into macroeconomic policy because:

- The National Budget is the policy document that reflects the highest level political commitment and socio-economic development policies of a government.
- The national budget is generally considered to be a gender-neutral instrument through which governments identify sources of revenue, allocate expenditures and also implement their development strategies. Different taxes and allocation of public expenditures, however, impact differently on women and men because they play different roles as economic agents, both as contributors to economic growth and recipients of benefits from public expenditure.
- Government expenditures on social and physical



infrastructure are designed to enable the economy to function smoothly. Yet a large number of women are involved in (reproductive and informal) activities which are outside the functioning of the market and are subject to social and cultural norms and constraints. Furthermore, a disproportionate number of the poor are women.

- The provisioning of public goods must be done efficiently as resources are limited. A gender sensitive national budget is expected to improve efficiency in expenditure allocation through effective targeting. This in turn is expected to increase productivity, enhance family welfare (particularly among the poor), and improve equity.

Many countries are developing and implementing comprehensive strategies to eliminate absolute poverty and reduce relative poverty. Many of these countries are also implementing public and financial sector reforms, and

improving macroeconomic management. A gender sensitive budget would be consistent with these initiatives.

Outcomes

The Commonwealth Gender Budget Initiative provides a policy framework, methodology and tools for developing a gender sensitive budget. A pilot process has been initiated to test this methodology in five countries, two of which – Sri Lanka and South Africa – have successfully completed this pilot stage. The pilot enabled the government of Sri Lanka to collate sex disaggregated data, undertake a gender analysis, identify how resource allocation of selected ministries impacts differently on women and men, and integrate a gender perspective into the national budget. A number of initiatives and corrective measures that address the differential gender impacts of components of budgetary



allocation have been developed as a result.

The government of South Africa used the methodology and tools of the Gender Budget Initiative to enhance existing measures to integrate a gender perspective into the national and provincial budgetary allocation and medium-term economic framework. As a result, they identified the differential impact of the resource allocation of selected line ministries, and used data and analysis generated by the implementation of the Initiative in the development of a gender sensitive National Expenditure Survey and national budget.

Future directions

Although the task of integrating a gender perspective into the budget should address both revenue and expenditure sides of the budget, this phase of the Commonwealth initiative is directed at expenditure. The Commonwealth Secretariat will consolidate the achievements of the Gender Budget Initiative by further investigating the differential impact of macroeconomic policy,

and developing strategies and tools with which governments can address gender imbalances in resource allocation.

Possible areas for strategic intervention include an extension of analysis to include a wider range of sectors in the existing pilot; examining the differential impact of revenue/taxation policy on women and men; and focusing upon the gender impact of globalisation and trade liberalisation.

The current global financial and trade climate and related reform processes being implemented by a majority of developing and developed countries has impacted most heavily, and negatively, upon women in the informal and/or low wage economic sectors.

Opportunities for trade, export trade in particular, and general access to micro-credit and small enterprise skills training are severely limited. Consequently, avenues for income generation for women who are often the main income earners in households in developing countries, are limited and often inaccessible.

Taxation/revenue, and financial sector reform policies may be used as key instruments in further addressing gender imbalances in macroeconomic policies. They may be modified to combat the often negative impact of globalisation and trade liberalisation. This work will complement existing poverty alleviation and small and micro-credit enterprise initiatives being implemented by governments, the Secretariat, and a number of international, regional, and national development agencies and NGOs. It will ensure that the different circumstances, needs and potential of women and men are considered fully.

Why have a gender sensitive macroeconomic policy and budget?

Poverty among particular sections of society was increased when many developing countries adopted economic reform programmes in the early 1980s which impact differently on women and men. The increasing poverty among women has been linked to their unequal situation in the labour market, their treatment under social welfare systems and their status and power in the family. The 1995 Human Development Index produced by the UNDP highlights that poverty has a woman's face – of 1.3 billion people in poverty, 70% are women.

Women perform a large number of tasks within the household and community that are not considered in the assessment of the formal economy or in the development of formal macroeconomic and budgetary resource allocation and provisions. The UNDP estimates that the value of the invisible work done by women is \$11 trillion per annum, and that the sum of global output would be almost 50% greater if this work was included in the assessment of the economy.

It is imperative that the relationship between macroeconomic policies and their differential impact on women and men is understood by policy makers for them to develop

appropriate policies for sustainable economic development. Women's informal labour should be given recognition and their productivity duly considered in the development and implementation of such policies, particularly in resource allocation channelled through national budgets.

The 1989 Commonwealth Expert Group on Women and Structural Adjustment first voiced the importance of incorporating gender issues in macroeconomic policies. The group called on the Commonwealth to “*recognise the economic necessity of protecting the social base, particularly as it affects women, and by incorporating these concerns into policy ... not only as marginal additions ... but taking adequate account of the time, roles and needs of half the country's population*”. This broader approach to adjustment was endorsed by the Third Meeting of Ministers Responsible for Women's Affairs in the 1991 Ottawa Declaration, which emphasised the need for social equity with economic growth.

The integration of a gender perspective into macroeconomic policies is one of the major thrusts of the Beijing Platform for Action and the Commonwealth Plan of Action.

The Beijing Platform for Action

One of the Strategic Objectives adopted is for governments to:

- restructure and target the allocation of public expenditures to promote women's economic opportunities and equal access to productive resources and to address the basic social, educational and health needs of women;
- facilitate more open and transparent budget processes; and
- review, adopt and maintain macro-economic policies and development strategies that address the needs and efforts of women in poverty.

The Commonwealth sought to build on its previous work on gender and macroeconomics and advance the objectives of the Plan of Action and the Platform for Action. A meeting of gender specialists and economists, including representatives of the ILO, UNIFEM and the Institute of Fiscal Studies, was convened in March 1996 by the Gender and Youth Affairs Division (GYAD) of the Commonwealth Secretariat to identify a new conceptual direction and methodological approach.

The Commonwealth Plan of Action

Under the Plan of Action governments agreed to:

- the integration of gender issues in all national policies, plans and programmes;
- conduct gender policy appraisal and impact assessments on macro-economic policies; and
- take action for sustainable development and poverty alleviation.

The national budget was identified as the most appropriate entry point for integrating a gender perspective into macroeconomic policies, for the following reasons:

- the budget is the primary fiscal policy instrument as most countries produce an annual budget statement which sets out tax and expenditure plans for the coming year;
- the budget is often accompanied by a review of macroeconomic performance;
- there is a distinct cycle for preparations and follow-up and this process usually involves all government ministries and departments;



- there is a debate in Parliament and review by parliamentary committees;
- the budget is a national event and focus of media attention.

Consequently, it is a useful entry point for attempts to persuade macroeconomic policy makers to adopt a more gender sensitive approach, and to institutionalise the new gender mainstreaming approach to policy development and implementation in government.

policy options to integrate a gender analysis into national budgetary processes, and to pilot the methodology. The Commonwealth Secretariat began implementing the pilot phase of the project from 1997 by assisting governments in applying the framework in countries representative of the regions of the Commonwealth.



A paper on the Gender Budget Initiative was approved by Commonwealth Ministers Responsible for Women's Affairs at their Fifth Meeting, held in Trinidad and Tobago in 1996, which focused on the development of practical strategies to implement the Plan of Action. Ministers recognised the need for developing a methodological framework to incorporate gender issues in national budgets and to pilot them in specific countries. Accordingly, the Commonwealth Secretariat was mandated to develop a project framework which includes a set of tools and

Tools for a gender analysis of the National Budget

An incorporation of gender issues in public expenditure requires simultaneous actions at three levels: **the application of policy tools; use of gender disaggregated data; and strengthening dialogue** .

The first concerns developing and applying technical tools. The following tools can be used to incorporate gender issues in the national budgetary process:

1 Gender-Aware Policy

Appraisal . This is an analytical approach that involves scrutinising the policies of different portfolios and programmes by paying attention to the implicit and explicit gender issues involved. It questions the assumptions that policies are ‘gender neutral’ in their effects and asks instead: “In what ways are the policies and their associated resource allocations likely to reduce or increase gender inequalities?”

2 Gender-Disaggregated Beneficiary Assessment of Public Service Delivery and Budget Priorities

. This is developed on the basis of opinion polls and attitude surveys asking actual or potential beneficiaries the extent to which government policies and programmes reflect their priorities and meet their needs.

3 Gender-Disaggregated Public Expenditure Incidence

Analysis . This is based on statistical analysis, usually with

data from household surveys, to examine the nature of expenditure from publicly provided services in order to determine the distribution of expenditure between men, women, girls and boys. This analysis can be done for any sector or programme.

4 Gender-Disaggregated Public Revenue Incidence Analysis

. This examines both direct and indirect forms of taxation in order to calculate how much taxation is paid by different categories of individuals or households. User charges on government services will also be considered.

5 Gender-Disaggregated Analysis of the Budget on Time Use

. This tool identifies the relationship between the national budget and the way time is used in households. This ensures that the time spent on unpaid work is accounted for in policy analysis.

6 Gender-Aware Medium-Term Economic Policy Framework

. This is an approach to incorporate gender issues into macroeconomic models. This requires disaggregating appropriate variables by gender; introducing new variables with a gender perspective; incorporating unpaid work; and changing underlying assumptions about the social and institutional set-up for economic planning.

7 Gender-Aware Budget Statement

. This can be used to

disaggregate projected expenditure into gender-relevant categories. This involves stating the expected gender implications of the total national budget (public expenditure and taxation) and also the gender implications of expenditure by sectoral ministries. This process can involve any of the above tools. It normally requires a high degree of co-ordination throughout the public sector as ministries and/or departments undertake an assessment of the gender impact of their line budgets.

The second action concerns sex disaggregated data and information collation for use in the development and use of the tools listed above. The data requirements will be determined by the scope of the initiative in each country and requires the direct involvement of the national statistical service. The Commonwealth Secretariat promotes the gathering of sex disaggregated data wherever feasible as good practice.

The third action concerns establishing mechanisms for initiating and strengthening policy dialogue between the Ministries of Finance, Economic Planning, Women's Affairs and other key spending ministries, as well as facilitating dialogue with civil society stakeholders.

From strategy to action: The Pilot Process

The Commonwealth Secretariat is assisting governments to integrate gender into all their activities primarily through the development of the concept of a Gender Management System (GMS). It is a comprehensive network of structures, processes and mechanisms to place gender issues in the mainstream of all government policies, programmes, processes and projects. The GMS also includes strategies to design macroeconomic policies and programmes that are gender sensitive. The Gender Budget Initiative provides the methodology and framework for applying the GMS to national budgetary processes.

In introducing this initiative in the pilot countries, the following procedures were adopted:

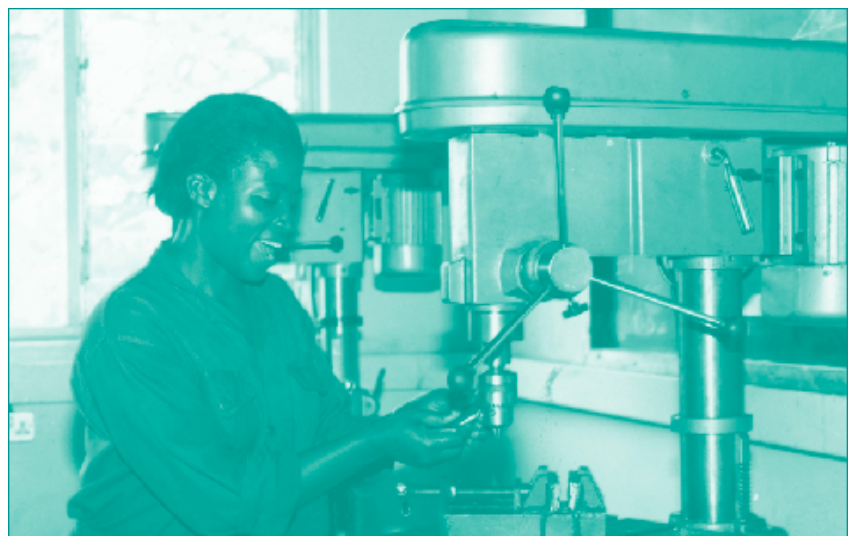
- 1 The government requested a Commonwealth Secretariat mission for an initial consultation.
- 2 A mission from the Commonwealth Secretariat visited the country to consult with senior officials of the ministries of Finance, Economic Planning, Women's Affairs and other relevant Ministries and civil society groups as recommended by the government.
- 3 The government identified the scope of the project, implementation procedures and the type of technical assistance was required, in consultation with the Commonwealth Secretariat.

- 4 The government and the Commonwealth Secretariat agreed on a project implementation plan for establishing the pilot. The Plan was endorsed by the Minister of Finance and/or Cabinet, as appropriate.
- 5 The Secretariat provided technical assistance where resources allow, supporting the implementation of the initiative.

The general approach taken by the countries participating in the pilot phase of the Initiative was to undertake a gender explicit expenditure review and formulate a gender-aware budget statement. This involved the identification of

was agreed that the Ministry of Finance would manage the project and would provide guidance to the spending ministries. The experiences from participating these countries have elicited the following broad conclusions:

- All governments have found that the approach is useful for addressing gender specific issues. They recognised that this approach would enable them to target public expenditure and provide more effective public services for women and other important target groups.
- Effective implementation requires the understanding, involvement and commitment



key line ministries and activities therein for application of the tools as appropriate to their macroeconomic circumstances. It

of all stakeholders: senior government officials and technical officers, Women's NGOs, policy institutes,

researchers, academics, and international agencies.

- Implementation of the project requires inter-ministerial or inter-departmental collaboration, the allocation of adequate resources, especially time, by officials, and building up the technical capacity needed for implementation of the project through ongoing training.
- The project needs to be led by the Ministry of Finance although the Ministry responsible for Women's Affairs plays a catalytic role.
- Engendering the national

resources, and availability of sex disaggregated specific.

- Government commitment to the initiative should include building a partnership with civil society institutions where possible. The utilisation of the expertise and experience of women's NGOs, policy institutes, research institutions and other agencies that focus on gender issues, would reduce the demand on public resources and technical skills. The involvement of civil society can also enhance the sustainability of the initiative.



budget is a process that can only be developed over a long period of time. The time-frame required to incorporate a gender perspective in national budgetary processes is dependent upon on the magnitude of the gender inequality, priority given to gender issues in the development agenda, competing demands on government capacity and

International agencies have a critical role to play in mobilising political consensus to implement this initiative through the gathering of information, facilitating the sharing of experiences, and in providing technical and financial resources to support countries in the national implementation process.

Pilot results to date

This project has by mid-1999 been initiated in five countries: Barbados, Fiji, St Kitts and Nevis, South Africa and Sri Lanka. Sri Lanka and South Africa have successfully completed stage one of this pilot process.

Sri Lanka

The project in Sri Lanka focused on the Ministries of Education, Health, Agriculture & Lands, Social Services and Industrial Development. Their recurrent expenditure was disaggregated by sex to examine existing disparities in resource allocation. The project also examined gender distribution in Public Sector Employment and assessed the likely gender impacts of the 1999 budgetary allocation for the same ministries.

Beneficiary indicators to analyse the impact of expenditure on gender were identified for each sectoral ministry.

The pilot project enabled the government of Sri Lanka to take concrete steps in integrating a gender perspective into national budgetary assessment and development with the following outcomes:

- 1 Political and official commitment at the highest level to address gender imbalances in future policy formulation;
- 2 Greater capacity for sex disaggregated data collation and analysis within the Ministry of Finance and key spending Ministries;

- 3 Establishment of gender conscious planning mechanisms in the allocation of resources;
- 4 Greater awareness, understanding of and commitment to a gender sensitive macroeconomic policy among policy makers and developers of expenditure plans;
- 5 Specific reference to women's contribution to the economy, especially in the fields of agriculture manufacturing and industry and in the form of remittances from foreign employment in the 1999 Budget Speech of Sri Lanka. Subsequent action is expected to improve women's participation by increasing resource flows;
- 7 Follow-up action and initiatives to correct gender imbalances through the implementation of projects which will have an expected outreach to the poorer segments of the population in general, and women in particular.

The first stage of the pilot in Sri Lanka is now completed and the government is planning to rectify imbalances created through the budgetary process. As a result of the interest and commitment generated by the pilot in Sri Lanka, the government has already developed further gender-specific projects to incorporate a gender analysis and related activities in the areas of agriculture, small and micro-entrepreneurship, and education.

South Africa

The South African government embraced the Commonwealth Gender Budget Initiative and pilot process as a follow up to the work already done in the country by the Women's Budget group, which was composed of members of Parliament and representatives of civil society, NGOs and think tanks. Using the same three-pronged implementation strategy as that utilised by Sri Lanka, the



pilot focused on the Departments of Land Affairs; Public Services and Administration; Public Works; Trade and Industry; Water Affairs and Forestry; Welfare; and Labour; South African Revenue Services; Agriculture; Arts, Culture, Science and Technology; Correctional Services; Education; Health; Housing; Justice; Minerals and Energy; Public Enterprise; and the South African Management and Development Institute. The pilot enabled the Ministry of Finance to integrate gender into the budget review and formulation with the following outcomes.

- 1 The 1998/99 Budget Review incorporated sex disaggregated information where available and appropriate, to permit an informal analysis of the impact of the Budget on women and men.
- 2 A section on “Women and the Budget” was included in a popular broadsheet prepared for distribution to schoolchildren. As a result, awareness about gender and macroeconomic issues was raised, particularly the gendered impact of budgetary resource allocations within the Ministries targeted in the first phase of the implementation of the pilot.
- 3 Initial outcomes and analysis served as a procedural and analytical model and tool with which gender analysis in the Ministries targeted could be consolidated, as well as for Ministries that had not yet participated.
- 4 The Ministry of Finance agreed to continue and expand the project in the 1999/2000 Budget. Data and analysis generated by the pilot was highlighted and gender concerns addressed and presented in the Budget document of February 1999.
- 5 The Minister of Finance noted the innovative work of the pilot and noted its important contribution to integrating gender into

the national budget at a meeting of the Committee on the Quality of Life and Status of Women following the budget. He highlighted the need for on-going re-distribution of resources for women’s empowerment, and indicated that a wide-scale gender beneficiary assessment of expenditure would be undertaken in areas not already targeted, and a number of corrective strategies designed to address gaps and critical issues identified.

- 6 In South Africa the nine provinces are responsible for a large proportion of expenditure as they provide basic education, health and welfare services. The project also examined the budgetary allocations of Gauteng province to ensure that a gender perspective is integrated at the macro/national level and at the provincial level.

The government has resolved to develop further action and strategies to consolidate the achievements of the Gender Budget Initiative

Further capacity building, training and support will be made available to all pilot countries subject to available resources. A full evaluation of the pilot process will be undertaken through a consultative evaluation Workshop that will take place once all pilot countries have completed the first

phase of the project. The Workshop will bring together key stakeholders including government officials directly involved in the implementation of the Gender Budget Initiative pilots, representatives of inter-governmental development agencies and networks, NGO gender and development agencies and networks, and regional and national women’s groups/organisations from civil society in each of the five Commonwealth pilot countries, as well as those nations who have implemented similar measures.

The Workshop will enable participants to exchange experiences and lessons learned from the implementation of the pilots, related information, experiences and strategies for integrating gender into macro-economic policy generally, and to discuss how best to consolidate the achievements of the Gender Budget Initiative and further assist pilot countries in strengthening their capacity to develop a gender aware budget. It will also facilitate the fine-tuning of the methodologies and procedures tested in the pilots into a core set of tools that may be replicable in other Commonwealth, and in non-Commonwealth countries.

