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**PUBLIC FINANCE MANAGEMENT, INCLUDING GENDER-RESPONSIVE  
BUDGETING**

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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.*

## **Introduction: Gender and Budgets**

Budgets are among the most important policy tools available to a government. On the one hand they influence the overall level of income and employment of a country, and on the other they reflect its political priorities. Although the numbers and figures compiled in the budget documents may appear gender-neutral, empirical findings show that expenditure patterns and the way a government raises revenue have a different impact on women and girls as compared to men and boys, often to the detriment of the former. This is due to the socially determined roles that women and men play in society, the gendered division of labour, different responsibilities and capabilities, and the different constraints that women and men face, all of which normally leaves women in an unequal position in relation to the men in their community, with less economic, social and political power.

Different dimensions need to be considered when looking at budgets from a gender perspective:

- In most countries a large part of expenditure is spent on *public employment*. Are women employed as civil servants to the same extent as men and at the same grades, thus benefiting equally from public expenditure?
- Women as *users of publicly funded services* may have different needs and priorities to men due to their different social roles and responsibilities. Are they taken into consideration equally?
- Governments *transfer* money to private households in the form of pensions, social security payments, relief payments after natural disasters, etc. Do women have the same entitlements to these payments as men?
- Women and men have different *time-use patterns*. It is a well established fact that women spend more hours than men doing unpaid work, while men conversely spend more hours doing paid work. In total, women work longer hours per week than men. Do budget allocations increase or decrease the workload of either sex?
- Women's priorities will only be taken into account if they are sufficiently represented in *budget decision-making* positions.

## **Gender Responsive Budgeting**

Since the Fourth World Conference of Women held in 1995 in Beijing, gender mainstreaming has become an internationally acknowledged strategy for promoting gender equality. Gender responsive budgeting aims at mainstreaming gender into public finance. The process of gender responsive budgeting eventually results in gender responsive budgets. Gender responsive budgets are not separate budgets for women, but instead, general budgets that are planned, approved, executed, monitored and audited in a gender-sensitive way. The ultimate goal of gender budgeting is the achievement of gender equality and equity. However, recent research undertaken by the International Monetary Fund and the World Bank have clearly shown, that a reduction of gender inequality is also beneficial for economic growth. This research gives strong evidence that inequality between women and men is costing the world billions a year in lost economic growth. The IMF suggests that countries should use their annual budgets to ensure that public money is spent in ways that reduce the gender gap.

The Beijing Platform for Action explicitly refers to the “integration of a gender perspective in budgetary decisions on policies and programmes, as well as the adequate financing of specific programmes for securing equality between women and men”. In the Beijing Plus 5 document, it was reiterated that “(l)imited resources at the state level makes it imperative that innovative approaches to the allocation of existing resources be employed, not only by governments but also by non-governmental organizations and the private sector. One such innovation is the gender analysis of public budgets, which is emerging as an important tool for determining the different impact of expenditures on women and men to help ensure the equitable use of existing resources. This analysis is crucial to promote gender equality.<sup>1</sup>

In the aftermath of the Fourth World Conference on Women, gender responsive budgeting work has been carried out in more than 60 countries across all continents. In distinction from other budget work that focuses on the distributional impact of budgets, such as pro-poor budgeting, gender responsive budgeting does not treat households as a single unit but instead highlights that the access to and control over resources and the bargaining power of household members differ. Empirical studies from several countries clearly show that women tend to spend money on their families’ and children’s welfare (nutrition, clothes, education) while men tend to spend on their own leisure activities. It therefore makes a difference whether public expenditures are targeted at women or men, or if revenue-raising fall predominantly on women or men.

In addition, gender responsive budgeting explicitly takes into account the unpaid care work which all over the world is undertaken primarily by women. Unpaid care work involves activities such as housework, childcare, and care for others in the household that is done on an unpaid basis by family members. This work is not covered by the System of National Accounts (SNA) which provides the rules for computing gross domestic product (GDP) and thus the statistics for macroeconomic policy decisions. The care economy therefore remains invisible, although it is of utmost importance for the functioning of the market economy and for the maintenance of the social framework of a society.

### **Achievements**

Gender responsive budgeting work has been carried out by different actors in different countries. Some of so called Gender Responsive Budgeting Initiatives (GRBI) were initiated by the Ministry of Women or Ministry of Finance, some by parliamentarians and some by NGOs. Most of the initiatives focused on the expenditure side of the budget, while only a few also analysed the gender impact of revenue raising policies. Though in many countries gender budget work was limited in scope and was not institutionalized, GRB initiatives have contributed to the following:

- The awareness that budgetary decisions may have an impact on gender relations and gender equality has increased.
- The capacity to analyse budgets from a gender perspective has increased.
- In some countries, budget allocations have been reprioritised in favour of women and girls.
- In some countries, budget guidelines and formats have been changed.

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<sup>1</sup> Resolution adopted by the General Assembly: Further actions and initiatives to implement the Beijing Declaration and Platform for Action, S 23/3, 16 November 2000, paragraph 36.

- Debates on gender issues have taken place in parliament, and gender issues have been mentioned in the budget speeches of ministers of finance.
- Budget processes have become more transparent.
- The participation of the civil society in the budgetary process has increased.

## Challenges

In many countries gender budgeting work was limited in impact because initiatives referred to a stylized approach<sup>2</sup> that was not suitable for the countries budget system. Besides gender budgeting work in many countries remained a one-off activity (e.g. sensitization workshops, trainings, analyses) and was not institutionalized. In addition, the gender responsive budgeting activities were normally not linked up with ongoing public finance reforms in the country. Many countries start to change their public finance systems towards a more results oriented budgeting and establish Mid Term Economic Frameworks to link planning and budgeting more closely. In the aftermath of the Paris Declaration and the discussion on new aid modalities, such as direct budget support and sector wide approaches, good economic governance in general, and transparent public financial systems in particular, have gained in importance. To increase governments and donors accountability with regard to their gender equality commitments, a gender perspective needs to be brought into these discussions.

## Actors

Different actors should engage in mainstreaming a gender perspective into public finance.

*The Ministry of Finance* or in some countries *the Ministry of Planning and Development* play a central and crucial role in gender responsive public finance. This ministry is in the position to make changes in the budget call circular, it checks the line ministries' submissions against the prescriptions of the budget call circular, it can publish gender budget statements and approves the format for them. The establishment of a gender unit in the Ministry of Finance may help to closely monitor these processes.

*Sector ministries* are responsible for submitting budget estimates to the Ministry of Finance and executing budgets according to their sector policies and priorities. They prepare submissions in line with the budget call circular and prepare gender budget statements for their respective sector and should take into account gender-aware sector-specific research findings when formulating policies and drawing up budgets. Strong gender units and gender focal points can contribute to an effective gender mainstreaming if staff combines sector knowledge and gender expertise.

*The Ministry of Women's Affairs/Gender* in most countries has the mandate to lobby for mainstreaming of gender in all policies, projects and programmes of the government. In many countries the so-called National Machinery is under resourced, both in terms of finance and in terms of staff. However, in some countries, the Ministry of Women have to give part of their budget back as they lack implementing capacities. Also, in many countries the role of the Ministry is not clear. Instead of focusing on a coordinating role, Ministries also implement own projects, often with only a mixed success.

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<sup>2</sup> Stotsky, 2007.

*Statisticians* are crucial as good gender budget analyses and gender-sensitive planning and budgeting are dependent on the availability of reliable sex-disaggregated data and other gender-relevant statistics. In some cases, the re-formulation of existing questionnaires would be necessary to collect these data. In other cases the design of new surveys would be needed, for example time use surveys for the collection of time use data.

*Civil society organizations* are important in holding governments accountable. They can lobby and advocate for budgets that are more pro-poor and gender-equitable. Experience has shown that gender responsive budgeting initiatives are more successful in countries where groups outside the government are involved as a strong pressure group. However, policy makers will take recommendations only serious if they are evidence based and if “hard facts” are presented. Therefore, advocacy and lobby organization should build up strategic alliances with independent research organizations that are specialized in public finance and able to carry out high quality post-budget impact analysis or prepare pre-budget scenarios by applying different tools such as a gender disaggregated benefit incidence analysis or tracking tools.

*Parliamentarians* have to approve the budget after it is tabled in the parliament. They should scrutinize the proposed budget from a gender perspective and propose amendments. However, the scope to demand amendments differs from country to country. Parliamentarians can also draft a bill that legally binds public entities to institutionalize a gender perspective in their budget systems.

The *media* can play an important role in ensuring transparency and accountability by a reporting about budget decisions from a gender perspective.

*Donors* play a role in gender responsive budgeting by funding gender-responsive budgeting activities and providing technical advice. They should be aware that the integration of a gender perspective is a mid-term to long term process so that predictable support needs to be provided over several years in most cases before impacts will be observed.

### **Recommendations:**

- It is important to institutionalize a gender equality perspective in public finance. The standard budget guidelines such as the annual budget call circular and reporting forms should be changed in a way that includes gender aspects so that the gender responsiveness of public finance will become part of the normal budget routine and, thus, become sustainable.
- Gender responsive public finance is not only about money but as much about the policies that should underlie budget allocation decisions. Therefore, efforts have to continue to integrate a gender perspective into national policy documents such as National Development Plans, Poverty Reduction Strategies or Sector Policies.
- Though for the achievement of many objectives more resources are necessary, in some cases, the problem is not allocating more resources, but spending on different activities or better coordinate between sectors. In many countries, for instance, the objective of increasing girls completion rates in primary schools will only be achieved, if investments are made in transport or water provision. Thus, inter-sectoral coordination and impact monitoring should therefore be strengthened. A gender analysis contributes to making public spending more effective.

- The integration of a gender perspective into public finance often fails due to insufficient data availability. More efforts need to be undertaken to improve sex-disaggregated and gender-specific data collection and analysis. Quantitative data should be complemented by qualitative data that provide information about changes in gender relations that go beyond mere statistics and provide peoples view about public performance in delivering services.
- To reduce gender inequalities that leave women in a less favourable situation, *targeted women-specific policies* have to be implemented in addition to general gender mainstreaming, until a level playing-field has been established. These policies must be conducive to empowering women and to overcoming gender stereotypes, and sufficient funds should be allocated to them.
- Governments should cost National Action Plans for the Advancement of Women and interventions that are necessary to achieve the MDG 3 and make sure that these costs are reflected in the relevant sector plans and budgets.
- The capacity of the National Machineries to identify main gender issues and coordinate the gender mainstreaming in planning and budgeting needs to build up.
- Multilateral and bilateral donors should ensure that all kinds of tools to assess public financial managements systems, such as Public Expenditure Reviews, Public Expenditure Tracking Surveys, Public Expenditure and Financial Accountability, Country Financial Accountability Assessments etc. incorporate a gender perspective.
- In recent years, a focus in public finance reforms lies on increasing domestic resources. Governments and donors alike should carry out an ex-ante assessment of possible impacts on women and men and think of mitigation strategies if necessary.
- Last, but not least: One should not lose sight of the overall objective of gender responsive public finance which is **achieving gender equity and equality**.