

Gender Budgeting – An Equality Policy Strategy

by Elisabeth Klatzer and Barbara Stiegler

1. INTRODUCTION

Gender mainstreaming and gender budgeting are fixtures of the debates and documents of the international women's movement. Politically active women all over the world have developed gender mainstreaming as a strategy to enable them to emerge from their powerlessness, both real and perceived, in relation to political actors. The purpose of these new strategies is to eliminate injustices in gender relations and to get rid of all forms of discrimination based on gender.

2. WHAT IS GENDER BUDGETING?

Gender mainstreaming and gender budgeting are strategies to be implemented by organisations and institutions, such as administrations. They lead to changes in decision-making processes in these organisations. The strategies are therefore not confined to special projects for women but rather to an organisation's everyday operations. Such operations are scrutinised in terms of gender equality. This involves systematic procedures inside organisations ordered by management and implemented by all employees.

The analysis of all operational domains and measures, all products and every part of an organisation forms the core of gender mainstreaming. Implicit in the concept of gender is that gender relations are culturally and socially determined and constantly reproduced. The question of how social structures contribute to the inces-

sant reproduction of certain assignments and life situations for men and women is decisive. Gender analyses concern the production and specific characteristics of life and work situations in which men and women differ. A gender analysis, therefore, not only enquires about the differences between men and women in a particular group, but also about how these differences are produced and what contribution is made by the measures one is investigating.

Gender budgeting is the application of the principle of gender mainstreaming to financial and budget policy: in other words, to public revenues and expenditures.

The European Council defines gender budgeting as follows:

»Gender budgeting is the application of gender mainstreaming in the budgetary process. Gender budgeting means a gender-based assessment of budgets and incorporates a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality.«¹

Dr Elisabeth Klatzer is an economist and social scientist working as a freelance researcher and consultant, for example, for the Watch Group Gender and Public Finance, feministATTAC and the European Gender Budgeting Network.

Dr Barbara Stiegler is head of Women's and Gender Issues at the Friedrich-Ebert-Stiftung, Bonn.

¹ Council of Europe (2005), Gender budgeting. Final report of the Group of specialists on gender budgeting (EG-S-GB), Strasbourg. (<http://www.coe.int/equality>)

Many institutions, including the European Parliament, have adopted this definition.

In other words, gender budgeting examines every budget-related decision-making process with regard to the extent to which it contributes to gender equality. Gender budgeting does not mean reserving a specific budget for women or for men, but investigating the effects of all budget decisions on gender relations and gearing those decisions to the aims of gender policy.

3. ADVANTAGES OF GENDER BUDGETING

Gender budgeting makes it possible to discern the effects of budget decision-making and, possibly, to change them. Knowledge of the effects increases the transparency of budget decision-making. If one knows precisely who benefits from a certain budget and how, there can be a political debate about it. Gender analyses clarify whether gender equality is promoted or impeded by a particular budget decision. Without the knowledge obtained by a gender analysis budgetary policy remains blind to equality issues. No budget is gender neutral.

4. IMPLEMENTATION

If an administration wishes to make a start with a gender budgeting strategy the head of the administration must first make a decision to this effect. All employees, both men and women, are then given training in the preparation of gender analyses. Gender analyses can be based on existing women's studies and gender research in a particular country. They require gender-differentiated statistics which in many areas have yet to be developed. In many cases, the crucial data on the effects of a budget must first be obtained by means of surveys or systematic observations.

A gender analysis is required both for all state revenues and for all state expenditure. With regard to forms of revenue, it must be determined who pays the taxes in question and who does not have to pay taxes and why. With regard to expenditure, it must be determined what effect it has on gender policy goals, both overall and in relation to individual budgets.

Gender budgeting means that gender analyses are carried out at all stages of budget development. The stages are:

- (i) preparation of the draft budget by the administration
- (ii) the budget debate in parliament
- (iii) gender monitoring of budget implementation, and
- (iv) accounting and reporting.

These processes take different forms in different countries. At all stages, however, gender analysis and gender monitoring must in principle be carried out.

5. KEY QUESTIONS CONCERNING GENDER ANALYSES OF BUDGETS

Gender analyses of a budget can be worked out in accordance with the following questions.

5.1 HOW DOES AN INDIVIDUAL BUDGET DECISION AFFECT THE LIFE SITUATIONS OF MEN AND WOMEN?

Not every budget is of equal significance for gender equality. The first step is therefore to assess whether the budget has an equality-related effect.

5.2 WHO BENEFITS, WHETHER DIRECTLY OR INDIRECTLY, FROM THE BUDGET?

If the spending under a given section is *directly* for men or for women the answer here is clear. It is more difficult to discern the *indirect* effects. Indirect effects affect a wide range of domains: for example, it must be ascertained how far money for institutions benefits male or female employees. Further areas for examination concern the effects of the allocation of grants on gender equality. With regard to health spending it must be investigated whether spending benefits men or women.

Example: In a district of Berlin a user analysis of expenditure on sports activities was carried out. It turned out that 62 per cent of spending benefited men and 38 per cent benefited women and that the sport (football) played almost exclusively by men also received proportionately the most money. After this analysis was presented to parliament it was decided that in the next budget the pitch improvements requested by the sports clubs would not be financed. Instead, the money was put into a sports hall that would be more used by women.

5.3 WHAT ARE THE CONSEQUENCES OF TAX EXPENDITURES ON UNPAID WORK AND WHICH GROUP MUST BEAR THE BURDEN OF CUTS?

The proportion of unpaid work in, for example, Germany considerably outweighs that of paid work. Time budget investigations show that of the 152 billion working hours only 56 billion are paid, and thus 96 billion are unpaid. The main burden of unpaid work in Germany falls on women. Every policy measure initiated using budgetary funds that leads to an increase in unpaid work therefore increases the burden on women.

Example: Suppose it was decided to cut lengths of stay in hospital in order to reduce health care costs. This means that sick people are sent home sooner. These people must then seek mainly private help. This unpaid work is carried out overwhelmingly by women.

Another example: Within the framework of austerity measures it has been decided that quality child care facilities will not be extended. Since children have to be cared for nevertheless this increases the amount of private work that women have to perform.

5.4 WHAT DECISIONS CONCERNING RESOURCES REINFORCE OR CHANGE GENDER STEREOTYPES?

The media play an important role in the (re)production of stereotypes. A gender analysis of media development, for example, can ask about the kind of gender stereotypes disseminated by the media in question. Another example would be spending on youth employment. One object of analysis might be the ways in which this youth employment involves critical questioning of gender roles, for example, by offering young males anti-violence training and technical courses for women.

6. PROBLEMS IN THE IMPLEMENTATION OF GENDER BUDGETING

Implementing the strategy always proceeds very slowly. To date, no whole budget process has been tackled in one go. The main stumbling blocks in this respect are as follows:

- Lack of support from the highest political level.
- Gender policy goals are not defined: gender-equitable distribution of resources does not mean in every case that 50 per cent goes to men and 50 per cent to women. A gender analysis can have other outcomes.

- Ongoing data collection, data analysis and data comparison and effective monitoring are lacking.
- Insufficient financial resources and professional advice are available.
- Effective working structures and responsibilities are lacking.
- Cooperation between finance departments and gender policy institutions is lacking.

7. GENDER BUDGETING ON THE GROUND: INTERNATIONAL EXPERIENCES

Gender budgeting is carried out worldwide at national, regional and local level. It ranges from the analysis of selected individual budget categories to the comprehensive examination of budget effects or of macroeconomic policies on the gender balance. Not only is the content of the budget important, but also whether the drafting process is transparent and participatory.

Although gender budgeting throughout the world is characterised by clear principles and foundations its implementation can vary considerably depending on equality policy objectives, local conditions, institutional frameworks and different actors. A number of major approaches emerge:

- Mainstreaming gender in budget processes
- Systematic annual analyses (in line ministries)
- Analysis of selected (pilot) domains and programmes
- Introduction in combination with budget reforms, in particular impact-oriented budgeting
- Categorisation of expenditure
- Analysis of the effects of the budget, combined with lobbying and advocacy for change
- Focus on selected policy domains (analysis and advocacy – for example, health, violence against women)
- In combination with the capabilities approach (after Amartya Sen)
- In combination with participatory budget approaches (especially local level)

7.1 EXAMPLE: AUSTRALIA – FIRST EXPERIENCES WORLDWIDE

In 1984, Australia was the first country in the world to draft a so-called (internal government) »women's budget«. The project was continued until 1996. The government was interested in knowing more about the impact of the budget and of government decision-making

on women. The women's budget was presented as part of the overall budget and was conceived as a comprehensive audit of the government budget in relation to its effects on women and girls. Besides an annual federal budget in accordance with gender perspectives there was a women's budget in all six states and in the territories. In Australia, this initiative was launched and conducted by the institutions and officials responsible for gender within the government. This explains, on the one hand, why Australia took on a pioneering role and, on the other hand, why it was that these initiatives largely disappeared from the scene with the changeover to a conservative government in the mid-1990s. Many gender budget initiatives have adopted the conceptual framework of the Australian analysis which was oriented towards the whole budget, especially on the spending side.

The Australian women's budget had three connected goals:

- (i) Directing attention to the gender-specific effects of budgets and policies.
- (ii) Getting the government to assume accountability for its pledges in the area of gender equality.
- (iii) Bringing about changes in policies and budgets in terms of an improvement of the social and economic position of women and more gender equality.

Not only budget expenditure explicitly directed towards women but all programmes and spending were analysed. This was made explicit via a three-part categorisation:

- (i) expenditure directed specifically at women (for example, women's health or employment programmes);
- (ii) expenditure on equality programmes in public administration (for example, mentoring programmes);
- (iii) general or mainstream expenditure.

The third category undoubtedly includes the bulk of the budget (in Australia, more than 99 per cent of the whole budget). This arrangement also provided the structure of annual reports on gender budgeting analysis.

The Australian experiences showed that within the government strong institutional arrangements are important if gender budgeting is to be implemented. How-

ever, »the voice from outside« is also important. In the case of Australia the initiative was taken and implemented from within the government, as a result of which there was no broad participation on the part of civil society. In order that gender budgets also lead to changes in budget allocation political pressure is needed both inside and outside the government.

7.2 EXAMPLE: SOUTH AFRICA – COOPERATION BETWEEN CIVIL SOCIETY AND GOVERNMENT

In 1995, soon after the first democratic elections, an initiative to draft a women's budget – entitled simply the Women's Budget Initiative – was launched by a broad coalition of women MPs and researchers, as well as NGOs. The South African example gave a significant boost to the development of gender budgets in other countries. Since 1996 a women's budget has been published every year. In its first three years the Women's Budget Initiative analysed the budgets of all (!) ministries and downstream institutions. After a detailed evaluation of what had been achieved so far further updating for all ministries was subsequently abandoned – this was to be done by the government itself. Instead, the focus was shifted to new questions and issues. In the fourth budget report, for example, local budgets, international aid to the government and the employment effects of the national budget were analysed. In the following year the revenue side became the centre of interest.

7.3 EXAMPLE: UK – CIVIL SOCIETY MONITORING

In the UK, the Women's Budget Group – a think tank of academics and policy experts from universities, trade unions and NGOs in the area of gender and economic policy – has been involved in gender budgets since 1989. Every year it publishes budget commentaries. Under the Labour government (1997–2010) the Women's Budget Group achieved more influence. There were regular direct contacts with the government, in particular with the Treasury. There were meetings with Treasury officials both before and after Budget Day in which commentaries on important policies were introduced and new proposals made. This is part of a broader consultation process of a kind which is traditional in the UK.

In keeping with the British approach to budgets the focus of the Women's Budget Group is taxation and state transfer payments. One of the Women's Budget

Group's most important aims, however, is to get the government to implement gender-impact analyses of its revenue and expenditure statements – in other words, of the whole budget – which is what initiatives in other countries are striving for.

7.4 EXAMPLE: AUSTRIA – EMBEDDED IN THE LAW

In the initial phase, there was substantial impetus towards the implementation and embedding of gender budgeting on the part of civil society. Social scientists and economists from civil society, academia, interest representative bodies, research institutions and administration, who first met in the form of a working group and later under the name »Watch Group Gender and Public Finances«, motivated by an increasingly restrictive budget policy, brought the international discussion on gender budgeting to Austria. The aim of this pioneering group was to focus on equality effects in the context of budget policy and in particular austerity policy and to persuade the government to implement gender budgeting. Women are also to be encouraged to devote themselves to budgets, to demand economic policy measures and to set in motion changes in the direction of more gender equality, as expressed by the programmatic title of the first publication »Women Make Budgets«.

The group's approach understands gender budgeting as a strategy for »bringing the gender perspective into budget and economic policy processes and decision-making, to change policy and at the same time to work towards a transformation of processes in the direction of opening up and democratisation«.

The Watch Group Gender and Public Finances conducted active lobbying in order to get gender budgeting established. A large-scale debate on constitutional reform – the »Austria Convention« – represented a one-off window of opportunity to push forward the embedding of gender budgeting in constitutional law. At the same time, the Watch Group reinforced international cooperation and laid the foundations for the European Gender Budgeting Network with an international meeting of leading gender budget activists and academics in Vienna.

Today, gender budgeting is implemented at the federal level in Austria, as well as in individual *Länder* and municipalities.

At the federal level, gender budgeting was embedded in legislation within the framework of a large-scale budgetary law reform in two ways. First, it was laid down as a state objective, establishing gender budgeting as legally mandatory for all local authorities and coming into force on 1 January 2009:

Central government, the *Länder* and local authorities must strive for actual equality of women and men in budgetary management. (Article 13(3), Austrian Constitution)

Second, it was laid down under constitutional law that the impact orientation that is to be introduced by 2013 must be effected »in particular in view of the goal of actual equality of women and men« (Article 51(8) Austrian Constitution). This means that equality or gender budgeting, as set out in the explanatory remarks on the legislative reform, became an integral component of the new guiding principle of impact orientation in budgetary management.

In this way the pilot projects ongoing since 2004 were established on a broad legal basis. Since the 2005 budget, information on gender aspects has been included in the budget documentation at federal level. In the explanatory remarks on the respective government drafts of the federal budget, for each department (ministry) there is a chapter entitled »Gender aspects of the budget« in which selected gender analyses are presented, or in many cases merely announced.

The strategy report drafted for the first time in 2009 on the basis of the budget reform identifies gender budgeting pilot projects of varying scope and significance. For example: parliament analysed the visitors centre and personnel costs; the Foreign Ministry analysed its initial and further training; and the Finance Ministry looked at internal qualification measures. The »clearing« measure for young handicapped people is the pilot project of the Ministry of Social Affairs; the Ministry of Science and Research examined scholarships; and the Ministry for Transport, Innovation and Technology looked at purchasers of monthly tickets for public transport.

Occasionally, external studies were also commissioned as the basis for the implementation of gender budgeting.

In the Finance Ministry, analyses were carried out on, for example, the revenue side, namely with regard to

income tax and social insurance contributions. With regard to taxation, there is an urgent need for action from an equality perspective. For example, internal Finance Ministry analyses indicate that income tax exemptions predominantly favour men and that social insurance contributions – due to capping in the form of maximum contribution bases – have a regressive effect: those on lower incomes, among whom women are represented disproportionately, pay disproportionately high contributions in comparison to income.

Overall, despite activities and experiences over several years, gender budgeting projects in Austria have not given rise to any measures and changes worth mentioning with regard to budget allocation. In particular, it is noticeable that in the pilot stage access is often restricted to minor subfields with low budgetary relevance or important results from analyses do not find expression in corresponding measures.

Budgetary reform has given rise to new opportunities to revive and reinforce the effectiveness of gender budgeting. The implementation of gender budgeting within the framework of impact orientation from 2013 will focus on the definition of goals related to impact on equality, corresponding measures and indicators for monitoring progress. In this way awareness will be directed towards concrete objectives. This is definitely an important step, given the lack of explicit, generally binding equality targets. However, a number of major hurdles remain to be overcome. In particular, there is a need to lay down uniform, binding quality standards. Transforming gender budgeting in Austria into an effective equality instrument also faces major challenges. Above all, a new dynamic is needed so that equality analyses are followed up by actual budgetary changes. In Austria, too, it is evident that the introduction and implementation of gender budgeting is a long-term process which, regardless of good legal foundations, still needs the constant commitment of the political and administrative leadership, as well as untiring efforts on the part of civil society groups in pursuit of the demand that government and administration implement equality.

8. SUMMARY

Over the past 15 years discussion of gender budgeting has grown considerably. In many countries on every con-

tinental, gender budgeting has been implemented as a strategy for bringing about gender equality and to improve implementation of women's rights through a focus on government budgets. Budgets are at the heart of government activities and express real priorities, but also social power relations and values in concrete figures. A government's actual intentions are discernible in the manner in which it deals with revenues and expenditure, regardless of political speech-making and fine words in programme documents.

This article is intended to provide some insight into the diverse reality of gender budgeting at international level and some idea of the wealth of projects and approaches, but also to present the problems and difficulties involved.

OTHER BRIEFING PAPERS

No. 1

The G-20: A New Global Governance Framework for Sustainable Development?*Thomas Fues, Friedrich-Ebert-Stiftung Shanghai, 2010*

No. 2

Global Union Federations and the Challenges of Globalisation*Torsten Mueller, Hans-Wolfgang Platzer and Stefan Rueb, Friedrich-Ebert-Stiftung Shanghai, 2010*

No. 3

Singapore: A Depoliticized Civil Society in a Dominant-Party System?*Kenneth Paul Tan, Friedrich-Ebert-Stiftung Shanghai, 2010*

No. 4

Housing Policy in Germany - A Best Practice Model?*Bjoern Egner, Friedrich-Ebert-Stiftung Shanghai, 2011*

No. 5

The Historical Evolution of China's Administrative Compensation System and its Recent Amendments*YANG Yin, Friedrich-Ebert-Stiftung Shanghai, 2011*

No. 6

The End of Export-led Growth: Implications for Emerging Markets and the Global Economy*Thomas I. Palley, Friedrich-Ebert-Stiftung Shanghai, 2011*

No. 7

Political Parties, Membership Mobilisation and Power Management - The Example of the Federal Republic of Germany*Gerd Mielke, Friedrich-Ebert-Stiftung Shanghai, 2011*

No. 8

The End of Nuclear Power? Time to Rethink International Energy Policy*Nina Netzer, Friedrich-Ebert-Stiftung Shanghai, 2011 (Chinese version published in Shanghai; the original English version is published by FES Berlin as part of the "Dialogue on Globalization" series)*

No. 9

The Earnings Penalty for Motherhood in Urban China during the Economic Transition*Jia Nan and Dong Xiao-yuan, Friedrich-Ebert-Stiftung Shanghai, 2011*

No. 10

Europe's Emissions Trading System: An Effective and Efficient Instrument for a Low-Carbon Economy*Hans-Joachim Ziesing, Friedrich-Ebert-Stiftung Shanghai, 2011*

No. 11

At a Snail's Pace: From Female Suffrage to a Policy of Equality in Germany*Beatrix Bouvier, Friedrich-Ebert-Stiftung Shanghai, 2011*

**Briefing Paper Special Issue
Protection for Domestic Workers -
Challenges And Prospects***Friedrich-Ebert-Stiftung Shanghai, May 2011***Briefing Paper Special Issue
Think Tanks in Policy Making - Do They Matter?***Friedrich-Ebert-Stiftung Shanghai, September 2011*

OTHER FES-PUBLICATIONS**China, the EU and Latin America: Current Issues and Future Cooperation**

Birte Klemm and Niu Haibin (eds.), Shanghai: Shanghai People's Publishing House, 2011

Altenpflege und Pflegeversicherung. Modelle und Beispiele aus China, Deutschland und Japan

Susanne Langsdorf, Rudolf Traub-Merz and Chun Ding (eds.), Shanghai: Shanghai Academy of Social Science Press, 2010

Comparative Industrial Relations: China, South-Korea and Germany/Europe

Rudolf Traub-Merz and Junhua Zhang (eds.), Beijing: China Social Science Press, 2010

Public Participation in Local Decision-Making: China and Germany

Ping Liu and Rudolf Traub-Merz (eds.), Shanghai: Shanghai Academy of Social Science Press, 2009

China-Europe-Africa Cooperation: Chances and Challenges.

Proceedings of the Sixth Shanghai Workshop on Global Governance.

Yan Yu (ed.), Shanghai: FES and Shanghai Institutes for International Studies, 2008

Current Situation and Future Prospects of Asia-Europe Security Cooperation.

Proceedings of the Fifth Shanghai Workshop on Global Governance.

Katharina Hofmann, Katja Meyer and Yan Yu (eds.), Shanghai: FES and Shanghai Institutes for International Studies, 2007

About Friedrich-Ebert-Stiftung

The Friedrich-Ebert-Stiftung (FES) is a private cultural non-profit institution committed to the ideas and basic values of social democracy. It was founded in 1925 and aims to further the political and social education of individuals in the spirit of democracy and pluralism. Its international cooperation connects the Friedrich-Ebert-Stiftung with partners in more than 100 countries all over the world. The international cooperation of the FES strives for facilitating participation, pluralism, rule of law, social justice and non-violent conflict resolution in different societies.

Learn more about FES: www.fes.de

Learn more about FES in China: www.fes-china.org

Contact

Friedrich-Ebert-Stiftung (Beijing), Ta Yuan Diplomatic Compound, Building 5, Entrance 1, 12th Floor, Office 5-1-121, Xindong Lu 1/Chao Yang Qu, 100600 Beijing, VR China

Friedrich-Ebert-Stiftung (Shanghai), 7A Da An Plaza East Tower, 829 Yan An Zhong Lu, Shanghai 200040, VR China

Briefing Paper

To subscribe the Briefing Papers send an e-mail to: subscribe@fes-shanghai.org

To unsubscribe send an e-mail to: unsubscribe@fes-shanghai.org

The opinion voiced in this publication is that of the author and does not necessarily reflect the opinion of the Friedrich-Ebert-Stiftung.