



IMF Working Paper

Gender-Responsive Government Budgeting

Feridoun Sarraf

IMF Working Paper

Fiscal Affairs Department

Gender-Responsive Government Budgeting

Prepared by Feridoun Sarraf¹

Authorized for distribution by Jack Diamond

April 2003

Abstract

The views expressed in this Working Paper are those of the author(s) and do not necessarily represent those of the IMF or IMF policy. Working Papers describe research in progress by the author(s) and are published to illicit comments and to further debate.

This paper examines the concept of gender-responsive government budgeting, promoted in recent years by women's nongovernmental organizations, academia, and multilateral organizations, and the extent of its implementation by national governments in both advanced and developing countries. Owing to recently developed analytical and technical tools, government budget management systems in some countries can help promote gender equality—to the extent of government involvement in gender-sensitive sectors and programs—at any level of available funding. However, to be fully effective, obstacles such as gender-biased culture, the lack of appropriate budget classifications, and the lack of gender analysis expertise and gender-disaggregated data in most countries need to be addressed.

JEL Classification Numbers: D63, H61, Z1

Keywords: Government Budgeting, Gender Mainstreaming, Gender Equality

Author's E-Mail Address: FSarraf@imf.org

¹ The author is grateful for many useful comments received from his colleagues in the Fiscal Affairs Department, in particular Jack Diamond, Janet Stotsky, and Davina Jacobs, as well as Naheed Kirmani, Bernardin Akitoby, Mwanza Nkusu, and Richard Stern in the African Department. The remaining errors are the author's.

Contents	Page
I. Introduction	3
II. Concept, Definition, and Coverage of GRGB.....	4
A. Old and New Concepts	4
B. Emergence of Multisectoral and Widened Concept of GRGB	5
III. Analytical and Technical Tools of GRGB	8
A. Proposed Tools for the Introduction of GRGB	8
B. Analysis of GRGB Tools	9
C. Capacity of Existing Budget Management Systems for Application of GRGB Tools	12
IV. Overview of Multilateral Organizations' Role in Promoting GRGB.....	14
V. Concluding Remarks.....	16
 Boxes	
1. Different Types of Government Gender-Sensitive Expenditures.....	7
2. Analytical and Technical Tools of GRGB.....	9
3. Summary of Multilateral Organizations' Activities in Promoting GRGB	15
 Appendices	
I. The Role of Multilateral Organizations in Promoting and Supporting GRGB	18
II. Communiqué of Joint Conference of the Commonwealth Secretariat, OECD, UNIFEM, Nordic Council of Ministers, and Governments of Belgium, Canada, and Italy.....	21
References.....	24

I. INTRODUCTION

In recent years, and especially after the 1995 United Nations Fourth World Conference on Women held in Beijing,² several multilateral organizations and national governments have advocated or attempted to use government budgeting as a tool to address gender equality. Managing government resources, in addition to its traditional functions, is frequently seen as a strong instrument that provides a unique opportunity for addressing and supporting the implementation of certain broad and multisectoral policy areas, such as environmental protection, more active poverty reduction, and so on. It is widely held that many of these policy objectives can be achieved by designing proper policies and implementing certain programs through government budgeting (i.e., allocation of government funds to the direct or supporting operations of such policy areas).

This general recognition of strong capacity for managing government resources has also raised the expectation for the role of government budgeting in achieving gender equality through gender mainstreaming.³ This recent emphasis should be distinguished from the allocation of funds to some specific and targeted budget programs that usually are implemented by government ministries or organizations dedicated to women's affairs. The new approach refers, rather, to: first, a series of policy guidelines and analytical tools, which are expected to be utilized in the budgeting process of all sectoral ministries and organizations to ascertain that gender mainstreaming policies are properly integrated into most sectoral programs; second, these policies being translated into specific results and outcomes that can be traced; and third, necessary modifications being made in budgeting techniques and procedures to accommodate these changes.

In recent years, civil society and nongovernmental organizations (NGOs), especially women's organizations and, to a certain extent, academia, have been using this platform to raise public awareness, and to generate support for gender mainstreaming in the process of government budgeting. Their influence has prompted national governments and multilateral organizations to further conceptualize and promote certain budgetary techniques and measures that are generally termed as gender-responsive government budgeting (GRGB) or gender-perspective budgeting. While the conceptual development and implementation of GRGB in both advanced and developing countries is in its early stages and should be regarded as a work in-progress, several multilateral organizations are actively promoting the

² United Nations (1995).

³ The term "Gender Mainstreaming" is a globally accepted strategy for promoting gender equality. Mainstreaming is not an end in itself but a strategy, an approach, a means to achieve the goal of gender equality. Mainstreaming involves ensuring that gender perspectives and attention to the goal of gender equality are central to all activities, policy development, research, advocacy/dialogue, legislation, resource allocation, and planning, implementation and monitoring of programs and projects. Source: Office of the Special Advisor on Gender Issues and Advancement of Women to the Secretary-General, available via the Internet at www.un.org/osagi.

use of such instruments, and are providing technical documentation and assistance for its implementation.

Thanks to considerable conceptual work, as well as the development of analytical and technical tools for the introduction of GRGB, the merit and significance of GRGB are widely documented and recognized. But several obstacles have caused implementation by national governments to be slow, including gender-biased cultures in many parts of the world, lack of gender analysis expertise and gender-disaggregated data in most government organizations and operations, and, additionally in developing countries, general weaknesses associated with budget preparation and monitoring techniques.

This paper first explains the concept of GRGB and how it has been promoted by academia and some national governments. It then discusses the analytical and technical tools developed for the implementation of GRGB, and explores and assesses the scope, as well as the practicality, of GRGB. Finally, it describes the political, technical, and financial support provided by multilateral organizations to national governments in this context.

II. CONCEPT, DEFINITION, AND COVERAGE OF GRGB

A. Old and New Concepts

Traditionally, governments' actions and support for addressing gender equality and improving women's living conditions take place through the operations of special government ministries or organizations dedicated to women's affairs, by means of a variety of programs ranging from policy formulation and media work to women-targeted programs, training, and so on. However, the recent promoters of using government budgets for attaining gender equality usually find this type of government operations insufficient and incomplete. They call, rather, for a broadening of the role of government budgeting in all sectors, and advocate using government budgeting to reduce gender inequality in both economic and social contexts.

This new approach involves not only governments' central agencies, such as ministries of women affairs and finance in their coordination role, but all sectoral ministries at the central government level, as well as spending agencies of local governments. Like other cross-sectoral policies, GRGB requires additional budget management tools in supporting governments' gender mainstreaming policy through the design and implementation of certain policies in different sectors, and measuring their outcomes.

Since different individuals, multilateral organizations, and national governments use different terms for a loose aligning of a gender perspective with various features or stages of the government budget cycle, it is evident that their contact and focus points differ accordingly. At the official level, it appears that this broad usage of the concept may remain the same, as it provides sufficient space for the national governments to demonstrate their activities, in respect to gender mainstreaming policy, to domestic interest groups, as well as international organizations that are concerned with or are mandated to promote gender equality.

For example, a recent survey conducted by the Organization for Economic Cooperation and Development (OECD) shows that the responding governments included any gender-related measures, ranging from women-targeted transfers in the budget to promoting equal job opportunities in the government services, to signify a gender orientation in their budgets.⁴ Similarly, a recent Commonwealth Secretariat publication shows that over 40 advanced and developing countries relate government budgets to gender mainstreaming, though, in most cases, in a very broad and sporadic approach.⁵ It is, therefore, difficult to single out a specific country that represents the best practice in the GRGB application, though South Africa is known to be the most active country in the multi-sectoral gender analysis of the government budget.

This paper does not intend to provide specific country data on the scope, coverage, and depth of addressing gender mainstreaming and equality by national governments' budgeting systems, as such data have already been widely made available by both the OECD and the Commonwealth Secretariat (see footnotes 4 and 5). It rather focuses on the recent developments of the GRGB concept in the policy and technical contexts, and attempts to evaluate the capacity of government budgeting systems for the inclusion of a gender mainstreaming feature in all sectors, and spells out the technical and data requirements of such coverage.

B. Emergence of Multisectoral and Widened Concept of GRGB

Apart from women-targeted specific programs, public spending, whether in agriculture, education, health or other sectors, is assumed to be distributed equally across the beneficiary population, or such an impact analysis at best is ignored.

Diane Elson of the University of Essex, United Kingdom, argues that “government budgets, like many other economic policies, have been hitherto perceived to be a “gender-neutral” policy instrument. The absence of reference to women or men in the existing budget classifications is normally judged to be a clear indicator of “gender neutrality.” But as this appearance is more accurately described as ‘gender blindness’ as the different allocations of public expenditure do in fact impact differently women and men, as a result of the different socially determined roles they play in the economy, as beneficiaries of public expenditure and users of public services.”⁶

Rhonda Sharp of the University of South Australia notes that “the terms gender-sensitive budgets, gender budgets, women’s budgets, and women budget statements refer to a variety

⁴ For further details see OECD (2001), available via the Internet at www.gender-budgets.org.

⁵ For further details see Budlender and others (2002), pp. 131–65.

⁶ Budlender and others (2002), p. 29.

of processes and tools aimed at facilitating an assessment of the gender impact of government budgets. In the evolution of these exercises, the focus has been on analyzing government budgets for their impact on women and girls. Recently however, these budget exercises have begun using gender as a category of analysis.”⁷

According to Elson, “a gender-responsive budget initiative does not aim to produce a separate budget for women. Instead, it aims to analyze any form of public expenditure, identifying implications and impacts for women and girls as compared to men and boys. The key question is: what impact does this fiscal measure have on gender equality? Does it reduce gender inequality; increase it; or leave unchanged?”⁸

Historically, well before the involvement of multilateral organizations in promoting the new concept and application of GRGB (e.g., an active analysis and incorporation of a gender mainstreaming dimension in government budget programs in all sectors), a few national governments initiated a gender-analysis dimension the government budgeting.

Budlender notes that during the 1980s, an analysis of the impact of government budgets on women was introduced in Australia. A similar exercise started in Canada in 1993. In 1995 in South Africa, the women budget initiative was established in a collaborative venture of the selected committees of the parliament, and two policy-oriented research NGOs. In the first year, the group analyzed the budgets of limited government agencies, and, by the end of the third year, all 26 votes of the national budget had been covered. In subsequent years, the analysis was extended to local governments, as well as the donor-financed operations. The aim was to evaluate how government programs in different sectors have positive or negative effects on women’s rights, empowerment, and living conditions.⁹

The results of the GRGB exercise in South Africa were published in a series of books, which became a milestone for additional conceptual work in this field. Several lessons were learned from these studies, and inspired women’s rights activists, gender mainstreaming advocates, and academia to further conceptualize GRGB for use in other countries.¹⁰

More recently, with the new wave of promoting government budgeting in reducing poverty, especially in developing countries, it has been argued that, since in most parts of the world women are economically disadvantaged and poorer than men, GRGB, in addition to other

⁷ Budlender, Sharp, and Allen (1998), p. 5.

⁸ Elson (2001), p. 1.

⁹ For further details on the experiences of Australia, Canada, and South Africa, see Budlender and others (2002), pp. 161–64, 147–48, and 137–40, respectively.

¹⁰ IDASA (1996, 1997, 1998, and 1999).

gender mainstreaming initiatives, can facilitate the preparation and implementation of pro-poor budgets by targeting women-supportive activities.¹¹

Sharp and Broomhill have classified government gender-sensitive expenditures into three categories that are quoted in Box 1:¹²

Box 1. Different Types of Government Gender-Sensitive Expenditures

- **Gender-specific expenditures:** These are allocations to programs that are specifically targeted to groups of women, men, boys or girls, such as programs on men's health (e.g., prostate cancer) or violence against women.
- **Expenditures that promote gender equality within the public service:** These are allocations for equal employment opportunities, such as programs that promote representation of women in management and decision making across all occupational groups, as well as equitable pay and conditions of service. This is distinct from programs that promote employment of equal numbers of men and women, as having equal numbers of men and women does not prevent a situation where, for example, with 100 employees, the 50 men are managers, and 50 women are secretaries.
- **General and mainstream expenditures:** These are allocations that are not in the two categories above. Gender impact analysis of these expenditures focuses on the differential impact of the sectoral allocations on women and men, boys and girls. Although the analysis is challenging due to the lack of gender-disaggregated data in many instances, these expenditures also are the most critical because more than 99 percent of government expenditure usually falls into this category.

In the above grouping of government expenditures, the first and the third groups are clearly relevant to government budget preparation and execution processes. However, the second group appears to be a personnel policy matter, as the calculation of salaries in the government budgets, for instance, is a reflection of the human resources structure of the

¹¹ For example, according to the World Bank (2002), in addition to the evidence that gender affects growth, the evidence from the 2000/2001 *World Development Report* shows that gender relations affect all aspects of poverty, including income, opportunity, security, and empowerment. In some countries, girls in poor families receive lower-quality nutrition, less healthcare, and poorer education than their brothers. Likewise, female household members often have less access to and control over the household's productive resources and income than do male family members. Moreover, rigidities in the labor market, discriminatory practices, lack of access to land, credit and other productive resources, and the heavy time burdens of poor women, all lower their economic opportunities. Women also suffer from less security than men in many parts of the world. Because of their dependency on male incomes, they are particularly vulnerable to shocks such as husband's death, desertion, or divorce.

¹² See Hewitt and Mukhopadhyay (2001), p. 4.

government activities, which is separately subject to a gender analysis of personnel—not budgetary—policies.

It should be noted that the first group of expenditures have been in the budgets of most countries for several decades. Normally, these kinds of expenditures are very limited in scope, and typically aimed at addressing women's rights issues, such as public awareness, and publicity campaigns on gender equality. Moreover, spending agencies in charge of these tasks (women affairs ministries or equivalent organizations) also implement specific programs, such as management of women-targeted transfers. Obviously, the role of these organizations in the policy development context is critical, but the new GRGB, the core of this paper, as mentioned earlier, advocates a cross-sectoral gender analysis and mainstreaming in all government spending agencies, which is the subject of the third group of expenditures.

III. ANALYTICAL AND TECHNICAL TOOLS OF GRGB

A. Proposed Tools for the Introduction of GRGB

It is important to note that GRGB is not a budgeting system such as program budgeting, performance budgeting, and so on. It is rather a series of additional and analytical instruments and tools that help one to understand and make a judgment on the impact of government budget programs in reducing the gender gap, thereby helping gender mainstreaming, and ultimately gender equality.

To this end, and assuming that there is a strong will and commitment to use the government budget, among other policy instruments, to promote gender mainstreaming, the necessary data and expertise should be available to analyze the impact of government operations on women and men. On the other hand, a routine observation, experience and even common knowledge in some areas of government activities may be very useful for such judgment. In fact, some of the proposed tools of GRGB (see further below) appear to rely on such nonquantitative information. Moreover, in some sectors and programs, including those of social and economic services, which can be classified as gender-sensitive sectors, the GRGB exercise might prove to be more practicable than other sectors.

Diane Elson is widely recognized for developing the analytical and technical tools for the introduction of GRGB in the budgeting system of national governments. While the Commonwealth Secretariat has been instrumental in promoting these tools by virtue of publication and the provision of technical assistance to its member countries, other multilateral organizations also have advocated the same tools in their publications. A summary of these tools is presented in Box 2, which is adopted from Hewitt and Mukhopadhyay (2001), based on the work of Elson.¹³

¹³ Further explanations and details can be found in several documents available via the Internet at the Commonwealth Secretariat's website at www.thecommonwealth.org/gender.

Box 2. Analytical and Technical Tools of GRGB

- **Gender-aware medium-term economic policy framework.** This tool assumes and advocates the presence and integration of a strong gender-mainstreaming policy in developing the medium-term fiscal policy framework, through engaging local government authorities, traditional rulers, civil society organizations, NGOs, community-based organizations, and donor agencies in both revenue and expenditure sides. The tool is mainly based on the evolving notion of participatory budgets, which involves beneficiaries and affected groups in the design and implementation of policy, programs, and projects, decentralization of financial authority, the empowerment of local communities, and cooperation with key stakeholders.
- **Gender-aware policy appraisal.** This tool serves to appraise, from a gender perspective, the policies and programs funded through the budget, which asks, “In what ways are the policies and their associated resource allocations likely to reduce or increase gender inequality.” The tool mainly refers to the annual budget preparation process by government officials engaged in the budget management system.
- **Gender-disaggregated beneficiary assessment.** The tool is a means by which the voice of the citizen can be heard. In these exercises, the actual or potential beneficiaries of public services are asked to assess how far public spending is meeting their needs, as they perceive them. This can be done through opinion polls, attitude surveys, group discussions, or interviews.
- **Public expenditure incidence analysis.** This tool estimates the distribution of government expenditure among males and females, directly involved in government operations (government employees—men and women), as well as the immediate beneficiaries of government programs (direct transfer receivers—men and women).
- **Gender-aware budget statement.** This tool is the government report that reviews the budget using some of the above tools, and summarizes its implications for gender equality with different indicators, such as the share of expenditure targeted to gender equality, the gender balance in government jobs, contracts or training, or the share of public service expenditure used mainly by women.

B. Analysis of GRGB Tools

The GRGB literature normally presents the above tools in a listing without categorization, presumably to offer the opportunity to budget preparation staff to select and apply any number of these tools that may prove practical. In order to analyze the practicality of these tools in the government budget process, this paper, however, will categorize them into pre- and postbudgeting tools, consider the cost associated with their application, and the role of the central and spending agencies.

Prebudgeting and postbudgeting tools

The prebudgeting tools (first three bullet points in Box 2) are centered on the analysis of the potential impact of government expenditures on women and girls, through adoption of a participatory approach in the budget preparation. Moreover, and perhaps more instrumentally, they also call for the training of budget preparation staff to add to their classic types of prebudget analyses, such as economic, financial, social, and environmental

cost-benefit analysis, a new gender cost-benefit analysis or simply introduce this latter, regardless of other types of analysis. These tools assume that governments have a suitable program structure in their budget for such analysis. Obviously, in addition to the political support and agenda for gender mainstreaming, the availability of data and expertise are of paramount significance for utilizing these prebudgeting tools.

On the other hand, the significance of the postbudgeting tools (last two bullet points in Box 2) lie in the critical study of the impact of government programs on women and girls, and finding out whether these programs are promoting gender mainstreaming, or whether they are gender neutral or even gender biased. These findings would enhance the analytical capacity of prebudgeting tools in the preparation of the future budgets. As mentioned earlier, gender impact studies of government programs in mid-1990s became the first practical GRGB exercise.

It is assumed that these prebudgeting and postbudgeting analyses should help to introduce policy changes in the existing programs with a view to reduce gender inequality (for example, increasing some existing women-targeted expenditures in different sectors, providing job opportunities for women in specific government services, or facilitating school attendance for girls), or initiating some new expenditure programs (for example, subsidizing special microfinance schemes aimed at women). As noted earlier, GRGB does not exclude any sector or program from such analyses, unless studies show their clear gender neutrality.

In general, prebudgeting and budgeting tools appear to be more useful and quick yielding for the application of GRGB, as they may have immediate impact compared to the postbudgeting tools, which require gathering data on the gender impact of government programs. It is true that a postbudget analysis provides necessary data for prebudgeting policy development and making corrections in future budgets, but it can also be argued that the former is less resource consuming, especially if it can be assumed that most current budget programs are “gender blind.” Moreover, a fresh look at existing programs could reveal, without much effort, their gender-mainstreaming relevance and capacity, and with a few corrections, a gender-mainstreaming approach could be introduced. For example, reducing or eliminating school fees for girls or providing proper facilities for them in the schools, with a simple analysis, may have immediate and positive impact in some societies.

Cost of the utilization and technical limitations of GRGB tools

The identification of gender-responsive government expenditure programs in the absence of a proper program classification in governments’ budget (see further below), the utilization of most proposed tools require substantial resources, especially in the case of postbudgeting tools. Conducting surveys and training of budget officers at the level of all spending agencies, as the prime users of the tools, is highly resource demanding. Moreover, until

recently the coverage and quality of most surveys have been limited for a proper gender analysis.¹⁴

While these factors may be less significant in resource-rich countries, they may cause serious limitations in developing countries. Although some international organizations provide technical and financial assistance to developing countries in this context (see further below), these cannot cover cost of training of a vast number of staff in the government budget preparation process, especially at the level of spending agencies of central government and several local governments, as well as the cost of conducting meaningful surveys.

The role of finance and women's affairs ministries and sectoral spending agencies in utilizing GRGB tools

Some researchers have advocated a GRGB role in macrofiscal policy, and accordingly have suggested a leading role for the finance ministries.¹⁵ Moreover, the central role of the finance ministries in responding to GRGB initiatives from spending agencies and their dominant role in the allocation of government resources has created a perspective for involving finance ministries in the GRGB initiative. It should also be noted that the analytical and technical tools described above reflect the implementation of GRGB on the expenditure side of the budget, though the revenue side of the budget independently is subject to a gender policy, as well as a gender impact analysis.¹⁶ Perhaps the role of women's affairs ministries or their equivalent organizations in the implementation of GRGB is more important, as these organizations normally lead gender-mainstreaming policy initiatives in most countries, and therefore in developing and utilizing GRGB tools.

It is generally recognized that the implementation of GRGB is mainly related to the work of spending agencies of central and local governments. This takes place through integration of a gender dimension into spending agencies' budget proposals at the policy level, and in the implementation and evaluation of their approved programs.¹⁷ In several countries, local governments are in a better position for implementing GRGB, as the nature of their operations (mostly social services and agriculture) tends to be more gender-sensitive than the central governments' typical programs, such as defense and external relations. However, this may substantially differ from country to country in accordance with the allocation of expenditure assignments between different levels of government.

¹⁴ For possibilities and limitation of benefit incidence analysis in gender-responsive budgeting, see Esim (2000), available at www.genie.ids.ac.uk.

¹⁵ See for example Hewitt and Mukhopadhyay (2001), pp. 11–12; and Sen (2001), pp. 11–16.

¹⁶ For further details see Stotsky (1996).

¹⁷ For a detailed study on the gender mainstreaming in education, health, and agriculture sectors in selected countries, see OECD (2002); see also IDASA (1998).

C. Capacity of Existing Budget Management Systems for Application of GRGB Tools

A meaningful application of GRGB tools require not only the full recognition of the problem under discussion by the political leaders, but also the availability of detailed sex-disaggregated and reliable data, innovation of some simple and less costly analysis techniques, and the availability of trained staff to undertake such analyses. There is no standard and one-for-all methodology for employing the above analytical tools. The key is using a combination of these tools according to the available capacity in the budget management system. It should, however, be noted that standard budget classifications (organizational, economic, and functional) are not sufficient for a meaningful analysis in this regard, as these classifications generally tend to be gender-neutral (see further below). Like poverty reducing or environment-protection expenditures, the gender-mainstreaming expenditures ideally should be incorporated into a detailed program/operational classification within the spending agencies' budgets, which, in some cases, may be in need of further detailing of economic/object classification as well.

In principle, one cannot underestimate the capacity of government budgeting in addressing cross-sectoral concerns and issues, especially where the government's role in the economic and social life is dominant. With sizable resources available to governments through taxation and their redistribution through the budgeting process, these expectations may be justified, but what is normally forgotten is the presence of a built-in rigidity in government budget structures in both advanced and developing countries, which limit such capacity. These rigidities range from the obligatory social payments in advanced countries to addressing very basic economic and social needs in developing countries.

As for gender mainstreaming, however, almost all GRGB advocates have made it clear that GRGB does not necessarily demand allocating additional financial resources to any sector, but calls for incorporating a gender analysis dimension into government programs at any level of available funding. However, there are number of preexisting cultural and technical obstacles that limit the application of GRGB, which need to be addressed either before or in conjunction with the application of GRGB.

Gender-biased cultures and traditions

It would be an exaggeration if it were assumed that the government budgeting system, by itself, could possibly change the numerous cultural and traditional barriers to gender mainstreaming and equality in many countries. In some parts of the world, ignorance and minimizing of gender mainstreaming is deeply rooted in the culture and traditions. In these circumstances, the concept of gender equality needs to be recognized before a GRGB can be initiated. In fact, the authorities in such countries may well categorize the GRGB initiative as "fanciful," and, therefore, may never attempt to learn or implement the initiative. Obviously, the role of NGOs and multilateral organizations in promoting gender mainstreaming in such countries is not welcomed or at best is ignored by the authorities. On the positive side,

authorities in an increasing number of countries have embraced the need for gender equality, which helps in the application of GRGB.

Gender knowledge and expertise in government organizations

Being a new trend in both advanced and developing countries, GRGB is not fully recognized nor are the proposed analytical tools widely utilized in the budget preparation process. This, in part, may be attributed to the lack of gender knowledge in the finance ministries as the traditional central agency for budgeting innovations. However, as mentioned earlier, spending agencies should be recognized as the core players in the GRGB process, who would logically be expected to take the lead in this exercise and submit gender-responsive budget proposals to the finance ministries for the latter's appraisal and financial analysis. This, however, requires the development of a gender analysis expertise, as well as some innovative and appropriate technical budgeting tools in all government spending agencies.

Gender-disaggregated data

With the possible exception of gender-specific programs that are normally implemented by women's affairs ministries and organizations in different countries, there is a lack of gender-disaggregated data in most government programs across the sectors. Perhaps the application of some of the tools discussed above would be a good start in generating such data over time, which should be regarded as one of the main preconditions of a meaningful GRGB analysis and application. Moreover, the proposed tools themselves, as discussed above, are in need of more clarity and an evaluation of their delivery capacity in each specific country's circumstances.

Budget classifications

The existing organizational, functional, and object/economic budget classifications used in several advanced and developing countries are clearly insufficient for a proper gender analysis in different sectors.¹⁸ These classifications, which apply to all sectors to show government expenditures by spending agencies, broad functional categories, and detailed inputs, respectively, are intended to be gender neutral. Although, in a simplified context, some may argue that any available data provided by these budget classifications could and should be used for a gender analysis, obviously the coverage and quality of such work will be far from satisfactory.

It may also be argued that conducting a household or beneficiary survey on the gender impact of a government's existing operations, regardless of the classifications in which they are presented in the budget documents and appropriation structures, can always trigger

¹⁸ With the exception of the funds that are allocated to and accordingly appropriated for women's affairs ministries or their equivalent organizations in different countries.

debate, and redirect budget allocations in the next budgeting cycle toward addressing gender issues. This may be true in general terms, but in a more technical context, the results of such surveys and debates would only be useful if they could be integrated into a specific budget classification. This would allow for the identification of the outputs (services rendered with solid quantitative indications, and policies implemented), and the final results expected to be achieved. All these components of analytical budgeting are important, because any corrective measures in the existing programs or initiating new operations should be distinctly identified in the budget documents, and appropriated accordingly, or their allocations can be used for another activity within the budget of the same spending agency.

The above constraints of existing budget classifications in several countries have been a limiting factor in using government budgeting for various analytical purposes. It is, therefore, necessary to include a program structure and distinct recurrent activities and development projects within each program, as independent cost centers, for new budgeting initiatives, including GRGB. This is because any output and end result analysis of government budget in any regard require output and outcomes data, which in turn can only be developed and tested in the context of a program structure.

Several countries have introduced a program classification for improving their budgeting systems as a whole, and for these countries the new challenge would be to identify the gender impact of their programs, and modify the recurrent activities and development projects under each program for the purpose of mainstreaming. This may require introducing additional activities and projects within a program, and regular monitoring and reporting of their results. However, there are not many countries around the world whose budgeting systems have a compressive and multipurpose program structure.

IV. OVERVIEW OF MULTILATERAL ORGANIZATIONS' ROLE IN PROMOTING GRGB

As mentioned earlier, multilateral organizations, including the Commonwealth Secretariat, relevant UN organizations, the OECD, and to some degree the World Bank are playing an important role in the promotion and implementation of GRGB across various countries. These are summarized in Box 3 below.

In October 2001, in Brussels, an international conference, sponsored and supported by UNIFEM, OECD, the Nordic Council of Ministers, the Commonwealth Secretariat, and the governments of Canada, Belgium, and Italy, brought together officials of the ministries of budget, finance, employment, industry, gender, social affairs, and other related ministries from governments worldwide, as well as experts, and international institutions, to mobilize political and financial support to strengthen the capacity of governments, as well as civil society organizations to carry out gender-responsive budget initiatives in all countries by 2015.

Box 3. Summary of Multilateral Organizations' Activities in Promoting GRGB

- **The Commonwealth Secretariat** has published several documents ranging from conceptual and promotional and policy papers to technical manuals to be used in the government budgeting process.¹⁹
- **The Organization for Economic Cooperation and Development (OECD)** has initiated a process of collecting data from its member countries on the extent and scope of gender perspective in their budgeting systems. Also, the Development Assistance Committee (DAC) of the OECD continues to update and publish guidelines, and advises its member countries on addressing gender equality in their bilateral financial and technical assistance to developing countries.²⁰
- **The United Nations'** different departments and organizations, including the Division of the Advancement of Women of Department of Social and Economic Affairs, the Development Fund for Women (UNIFEM), and the United Nations Development Program (UNDP) have produced several working documents and assisted a number of countries on the subject.²¹
- **The World Bank** has included gender promotion and equality issues in its different operations, including, the most relevant to this working paper, in its Public Expenditure Review (PER) work.²²

The conference recognized GRGB as a tool to enhance the way civil society preferences and needs are incorporated in the budget to ensure that women's and men's needs and priorities are considered equally. It encouraged governments, NGOs, and development institutions to participate in the process, and undertake further research and develop technical tools and other supportive measures. The conference addressed, in great detail, the policy formulation and implementation aspects of GRGB, and issued a communiqué, summing up its findings and recommendations (see Appendix II).

¹⁹ In addition to the references cited in this paper, see Commonwealth Secretariat's website at www.thecommonwealth.org/gender.

²⁰ OECD (1998, 2001, and 2002).

²¹ For further details, see the websites of these organizations at www.unifem.org, and www.undp.org/gender.

²² World Bank (2001 and 2002).

V. CONCLUDING REMARKS

In recent years, managing public expenditures has been frequently used to address several new economic and social policy objectives, such as more active poverty reduction, environmental control, and gender mainstreaming. While, in theory, one cannot underestimate such capacity for government budgeting, especially where the government's role in the economic and social life is dominant, often the presence of built-in rigidities in the government budgeting of both advanced and developing countries limit meeting these expectations.

Traditionally, governments' actions and support for improving women's living conditions take place through the operations of special government ministries or organizations dedicated to women's affairs, and through the implementation of a variety of programs ranging from policy formulation to media work, training, and targeted transfers. However, the recent promoters of using government budget for attaining gender equality usually call for broadening the role of government budgeting in all sectors. This new approach involves not only governments' central agencies such as ministries of women's affairs and finance in their coordination role, but mainly all sectoral spending agencies at the central and local governments' levels.

In the past few years, thanks to the work of women's NGOs, academia, multilateral organizations, and some national governments, integration of a gender perspective into the government budget has been recognized. Several analytical and technical tools have also been developed to facilitate the process. Some of these tools play a proactive role in the policy design and budget preparation phase of public expenditure management, while others examine the impact of government programs on women and girls, with a view to introducing corrective measures or new programs in the next round of the budgeting cycle.

Most GRGB advocates have made it clear that GRGB does not necessarily demand additional financial resources, but it calls for incorporation of a gender analysis in government programs at any level of funding. However, obstacles such as gender-biased cultures and the lack of gender analysis expertise and gender-disaggregated data in most government organizations and services, as well as lack of appropriate budget classifications, need to be addressed for a meaningful GRGB implementation.

Since the early 1990s, several countries—both advanced and developing—countries have made efforts to implement some kind of gender mainstreaming in the government budget, though with a widely differing scope and depth. Debbie Budlender has found that at least 40 countries (including both the OECD members and developing countries) have, in one way or the other, attempted to include some sort of gender analysis in their budgeting systems.²³ However, a closer look at the country data provided suggests that several countries have only

²³ For detailed country profiles see Budlender and others (2002), pp. 131–64.

been exposed to the old concept of the allocation of some government resources to the ministries or other organizations in charge of women's affairs rather than analyzing the gender impact of resources allocated to all or at least gender-sensitive sectors, in which governments interventions are substantial, such as health, education, agriculture, housing, labor, and employment. Also, a survey conducted by the OECD indicates that some responding governments have limited exposure to the implementation of the new GRGB concept, while some others have either been engaged in the process or have plans to do so.²⁴

Implementation of GRGB in a given country is not related to its wealth or technological status, but to the degree of the will or, more importantly, the size of the government's involvement in economic and social activities. This is especially true if one examines the budgeting powers and responsibilities of state and local governments versus those of the national governments. Undoubtedly, advanced countries have more resources (financial, analytical techniques, and data) to allocate to the exercise. It is interesting to note that while in OECD countries, women's organizations, NGOs, political parties, and national or local governments (depending on their expenditure assignments) have been influential in implementing the GRGB initiative, in developing countries, apart from some local NGOs and academia that have been promoting GRGB, mostly multilateral organizations and the donor community have been requesting and encouraging such an approach.

²⁴ For further detail see OECD (2001).

Role of Multilateral Organizations in Promoting and Supporting GRGB

Commonwealth Secretariat: Active promotion of GRGB and provision of technical support to national governments for its implementation

In developing and disseminating the GRGB concept and techniques, the Commonwealth Secretariat should be recognized as the most active organization, which has played a prominent role in the campaign, through organizing conferences, publishing documentation and providing technical assistance to national and local governments for its implementation. Apart from several publications that have been referred to frequently in this paper, in a report prepared for the finance ministers of its member countries, the Secretariat has summarized its previous work, including its support for developing analytical and technical tools for the application of GRGB.²⁵

World Bank: Integration of a gender-perspective in Public Expenditure Reviews (PERs) and Poverty Reduction Strategy Papers (PRSPs)

The World Bank has published detailed guidelines on the gender-mainstreaming strategy for its analytical work as well as lending instruments.²⁶ In addition to the Country Gender Assessment work, the strategy recommends integrating a gender dimension to the Sectoral Analytical work as well as the Poverty Reduction Strategy Papers (PRSPs). As for its supporting operations, the Bank's strategy calls for integrating gender mainstreaming in training, developing operational tools, and building capacity in implementing agencies. Perhaps the Bank's work on PER and PRSP are the activities most directly related to GRGB, as they are closely associated with the budgeting systems in the Bank's client countries.

However, in both cases, there is a need for developing more specific technical tools to facilitate the implementation of GRGB. Such work would require further clarification and more specific conceptualization, production of gender-separated data in government programs, and perhaps more importantly, the capacity of public expenditure management systems to absorb and implement these innovative tools.

According to a Bank's evaluation paper on the subject matter "PERs are increasingly discussing gender issues. Of the 29 PERs reviewed, 15 discussed gender issues, mainly in the health and education sectors. Of these, seven followed up the analysis with concrete recommendations for addressing gender inequality. At the regional level, gender issues were more visible in South Asia PERs. Two third of the PERs reviewed in the Africa region did not discuss gender issues. PERs did not consider gender issues in labor markets such as public sector retrenchment, pension reform for women, the impact of tax reform, and phasing

²⁵ Hewitt and Mukhopadhyay (2001).

²⁶ World Bank (2002).

out subsidies for women. In agriculture, PERs did not discuss imbalances in the gender division of labor and in accesses to and control of economically productive resources stemming from the unequal rights and obligations of men and women.”²⁷

It will take some time before the impact of gender mainstreaming in countries in which the Bank has included a gender analysis in their PERs can be observed; it may take even longer to see how GRGB is implemented in the sectors that normally are excluded from PER exercises. However, the fact that such analysis is being included in PERs will increase the awareness of stakeholders; thus, indirectly GRGB has an impact on the approach to government budgeting in many countries.

As for PRSPs, such evaluation has not been made or published, but being a relatively new initiative and itself regarded as work in progress, the PRSP process is already charged with the difficult task of identifying and analyzing poverty-reducing programs in the government budgets. However, there is a consensus that gender mainstreaming features of these programs by themselves would have a strong poverty-reducing effect.

OECD/ DAC and OECD/PUMA: New emphasis on gender mainstreaming in development cooperation and reviewing gender perspective in member countries’ budgets

The members of the OECD/DAC have long recognized that sustainable development must fully reflect the needs of both women and men. The 1998 version of “DAC Guidelines for Gender Equality and Women’s Empowerment in Development Cooperation” has renewed and reemphasized its provisions on guiding principles to aid agencies for supporting the role of women in development. These principles serve as useful guidance for advancing gender issues in the development cooperation programs of DAC members.²⁸

The DAC’s involvement in the promotion of GRGB is indirect and manifested through promotion of gender mainstreaming in the design or selection of the projects in developing countries, to which OECD member countries would provide financing. In addition, DAC has recently published a study on the role of gender mainstreaming in sectoral budgets of selected countries.²⁹ OECD/PUMA has collected data from its member countries on the extent and scope of gender perspective in their budgeting systems.³⁰

²⁷ World Bank (2001), p.17.

²⁸ For further details, see OECD (1998).

²⁹ OECD (2002).

³⁰ OECD (2001).

UN departments and organizations: reinforcing and supporting implementation of the GRGB

Different UN departments and organizations, including the Office of the Special Advisor to the Secretary-General on Gender Issues and the Division of Advancement of Women of Department of Social and Economic Affairs, the UNIFEM, and the UNDP, have produced several working documents and assisted a number of countries in the implementation of the GRGB. For example, UNIFEM's work on gender-responsive budgets began in 1996 in Southern Africa and has expanded to include Eastern Africa, South-East Asia, South Asia, and Central America. In Mexico, it worked with the Ministry of Health to analyze the impact of its budgetary allocations on women. In India, it conducted a study on gender-related economic policy issues to identify existing data gaps. The UNDP generally works to increase awareness of gender-responsive budgets as a tool to strengthen economic governance in all countries.³¹

³¹ For details, see the websites of these organizations at www.unifem.org and www.undp.org/gender.

**Communiqué of Joint Conference of the Commonwealth Secretariat,
OECD, UNIFEM, Nordic Council of Ministers, and Governments of
Belgium, Canada, and Italy**

"Toward Gender-Responsive Budgeting"
Strengthening economic and financial governance
through gender responsive budgeting

17 October 2001, Brussels, Belgium

1. As support to strengthening economic and financial governance through gender responsive budgeting, the Government of Belgium hosted a High Level conference in Brussels on 16-17 October 2001 - sponsored by the Organization for Economic Cooperation and Development (OECD) and supported by the Nordic Council of Ministers, the Government of Italy, the United Nations Development Fund for Women (UNIFEM), the Commonwealth Secretariat, and the International Development Research Center-Canada (IDRC).
2. The conference brought together ministries of budget, finance, employment, industry, gender, social affairs, transport, development cooperation, and agriculture from governments worldwide, as well as experts and international institutions. The goal is to mobilize political and financial support to strengthen the capacity of governments as well as civil society organizations to carry out these initiatives and to support the global vision of gender responsive budget initiatives in all countries by 2015.
3. Gender-responsive budget initiatives are an important tool for strengthening economic and financial governance and for promoting accountability and equality. National budgets reflect how governments mobilize and allocate public resources, and how they aim to meet the social and economic needs of their people. Gender responsive budgeting analyses the impact of government policies on men and boys as compared with women and girls within and across any given socio-economic category. Gender analysis is an important part of accountable and responsive budget procedures. Fiscal, financial and economic policies help reduce poverty and redress inequalities in the distribution of resources.
4. Governments world wide made a commitment, in the 1995 Beijing Platform for Action (1995), to "incorporate a gender perspective into the design, development, adoption and execution of all budgetary processes as appropriate in order to promote equitable, effective and appropriate resource allocation and establish adequate budgetary allocations to support gender equality and development programs that enhance women's empowerment."
5. Gender responsive budget initiatives can make an important contribution to the growing practice of civic consultation and participation in the preparation of budgets and in the monitoring of their outcomes and impact, at local, regional and national levels. In particular, they can ensure that women and girls are not marginalized from such processes. This strengthens economic and financial governance by promoting transparency.

6. Mounting evidence shows that gender inequality leads to major losses in social cohesion, economic efficiency and human development. Budgetary policy can increase, reduce, or leave unchanged the losses to society from gender inequality through changes in expenditure and revenue, primarily through adjustments in fiscal policy. Thus gender responsive budget policies can contribute to achieving the objectives of gender equality, human development and economic efficiency.

7. Gender responsive budgeting can enable governments that are parties to the Convention on the Elimination of Discrimination Against Women, to better fulfill their obligations therein. It is a means to reduce discrimination, direct or indirect, against women in policies governing taxation and expenditure. It is also a means to ensure that the requisite resources are taken into account and made available to implement legislation that advances gender equality and the fulfillment of the human rights of women.

The conference therefore urges governments, international and intergovernmental organizations, multilateral institutions and nongovernmental organizations to:

- Encourage the examination of budget processes and objectives to ensure that women's and men's needs and priorities are considered equally;
- Encourage women to participate in this examination, including as elected representatives and members of women's organizations; and involve the research community, development banks and civil society;
- Encourage the incorporation of gender analysis in the preparation, implementation, audit and evaluation of government budgets at all levels; and show commitment to transparency and accountability by encouraging the application of gender analysis in government budget reports, including by setting out and reporting on the impact of past budgets and the expected impact of the proposed budget on gender equality objectives;
- Recognize the use of gender responsive budget initiatives as a tool to enhance the way civil society preferences and needs are incorporated into the budget, to improve transparency and equality, reduce poverty and achieve good economic and financial governance;
- Encourage and support gender responsive budget initiatives worldwide and call on the Nordic Council of Ministers, the OECD, and UNIFEM in cooperation with the Commonwealth Secretariat and the International Development Research Center - Canada and other relevant bodies, to continue to provide research, technical or methodological support for these initiatives; and

Promote the catalytic and supportive role of international and development cooperation, including through increasing support for gender budget initiatives.

REFERENCES

- Budlender, D., and others, 2002, *Gender Budgets Make Cents: Understanding Gender-Responsive Budgets*, Gender Affairs Department (London: Commonwealth Secretariat).
- Budlender, D., R. Sharp, and K. Allen, 1998, *How to Do a Gender-Sensitive Budget Analysis: Contemporary Research and Practice* (London: AusAID; Commonwealth Secretariat).
- Elson, D., 2001, "Gender-Responsive Budget Initiatives: Some Key Dimensions and Practical Examples," paper presented at the UNIFEM, OECD, and Nordic Council conference "Gender-Responsive Budgeting," Brussels, October.
- Esim, Simel, 2000, "Impact of Government Budgets on Poverty and Gender Equality" (London: International Center for Research on Women). Available via the Internet at <http://www.genie.ids.ac.uk>.
- Hewitt, G., and T. Mukhopadhyay, 2001, *Gender-Responsive Budget Initiatives: A Report to Commonwealth Finance Ministers* (London: Commonwealth Secretariat).
- Institute for Democracy in South Africa, 1996, 1997, 1998, and 1999, *Women's Budget*, 4 vols., ed. by D. Budlender (Cape Town: IDASA).
- _____, 1998, *Women and the Government Budget*, ed. by D. Budlender, and K. Hurt (Cape Town: IDASA).
- Organization for Economic Cooperation and Development, 1998, *Guidelines for Gender Equality and Women's Empowerment in Development Co-operation* (Paris).
- _____, 2001, *A Gender Perspective on Budgeting—Country Responses*, PUMA/SBO (2001)7/ANN1 (Paris). Available via the Internet at <http://www.gender-budgets.org>.
- _____, 2002, Development Assistance Committee, *Gender Equality in Sector Wide Approaches: A Reference Guide* (Paris).
- Sen, G., 1999, *Gender Mainstreaming in Finance: A Reference Manual for Governments and Other Stakeholders* (London: Commonwealth Secretariat).
- Stotsky, J., 1996, "Gender Bias in Tax Systems," IMF Working Paper No. 96/99 (Washington: International Monetary Fund).
- United Nations, 1995, *Beijing Declaration and Platform of Action of the Fourth World Conference on Women* (New York).

World Bank, 2001, *Integrating Gender in World Bank's Assistance*, Operations Evaluation Department, Report No. 23035 (Washington).

_____, 2002, *Integrating Gender in the World Bank's Work: A Strategy for Action* (Washington).