

Friedrich Ebert Foundation, Prishtina Office

Overview

**“GENDER BUDGETING – LEGISLATION, EXAMPLES”**

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## **Introduction**

While societies are becoming more sensitive on equality issues and the states having the opportunity to influence social processes through the distribution of resources, there's bigger effort made on analyzing budgets on the outcomes they have on the overall societal structures and developments. As for conventional budgetary processes only being a tool of collecting taxes and redistribution, new mechanisms of reviewing budgetary mechanisms have been taken into consideration. One issue being targeted in new budgetary procedures is the issue of gender inequality.

Gender equality budget initiatives undertaken in the last two decades have shown that macro-economic theories, macro-economic policies and fiscal policies are rarely gender-neutral. Within those years, gender budget analysis has been a key strategy to change macro-economic policy-making towards considering gender differences and changing these in favor of supporting the establishing of equal fiscal structures (Cagatay 2003, pp. 15-18).

In this paper, I will be targeting the need of gender budgeting in the European legislative structures. I will give a brief overview on the definition of gender budgeting and how the discourse has evolved. The greater aim is to show how the legislative structures are set giving way to specific practices and actions. I will not concentrate on specific countries or strategies, but I will still address some European countries where gender budgeting methods are in use. Those examples are briefly touched in the last Chapter "Examples on Gender Budgeting Initiatives". As for this paper only having the objective of giving an overview, for a deeper understanding on the outcomes of gender budgeting further research has to be made. For the mapping of countries and their budgetary methods, more information has to be collected.

## **Gender Budgeting – Definition**

The definition from the Council of Europe for gender budgeting was developed in 2004: "*Gender budgeting is an application of gender mainstreaming in the budgetary process. It means a*

*gender-based assessment of budgets, incorporating a gender-perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality”* (Council of Europe 2005, p. 10).

Gender budgeting is based on the assumption that men and women have to be seen differently in the context of social opportunities. Thus, it should be taken into consideration that different policy measures affect men and women differently. As money is one of the essential means to shape policy, fiscal policy is always regarded as gender politics and as gender is apparent in almost all fields of society, and is one of the major societal structures, it should also be taken into account in every political activity, including budgeting. The conventional way of budgeting so far has been the practice of planning an amount of financial means on specific actions. The new scope of budgeting – gender budgeting – implies, however, that the most important measures have to be the results that have been accomplished with this money. Gender budgeting is a modern tool on creating equality through modified public financial management. (Rudolf 2008, p. 488). Applying gender mainstreaming methods systematically on budgetary policies, gender budgeting ensures transparency on how financial policy affects gender equality (Färber 2008, p. 2).

### **Why do Gender Budgeting?**

*“Gender responsive budgeting is not just a social issue but also an issue of economic growth, since it can ensure a country makes the most of its human resources [...]”* (Hutton 2001).

The distribution of money within the public sector expresses the political will of promoting lifestyles within the society. For example, the question of whether day care or stay-at-home mothers are financially supported in the federal, state and local governments provides information on what lifestyle and family care models are wanted to be taken as a norm by the state (Rudolf 2008, p. 489). *“The budget is the fiscal expression of political will of the government and parliament”* (FES 2007, p. 17). Gender budgeting can thus be understood as a fiscal mirror of social policy concepts and purposes.

Social programs influence the impact of gender inequality within households, and cutbacks in these services affect women and girls disproportionately. Gender inequality means that in many societies, women and girls are less likely than men and boys to be well-nourished or to have access to health care. Through social provisioning, the state has an extremely important role in offsetting this gender bias (Cagatay 2003, p. 19). Another gender bias appears when considering that caring for sick and elderly falls under the responsibility of women staying at home. This results in an unequal labor burden divided between sexes. While women serve as unpaid workforce, cutbacks in social provisioning affect them the most. In conventional policy making, this inequality stays unnoticed. Other examples come from cutbacks in the public sector, where the impact is obvious within gender segregation in labor markets. In some economies, the public sector has given greater employment opportunities to women compared to men. Thus, privatization has led to employment losses and to cuts in the number of formal sector jobs (van der Hoeven 2000). Also, such budgeting elements as user fees and indirect taxation are gender-biased, because women earn less compared to men (Cagatay 2003, p. 20).

Becoming obvious the context of budgeting and the impact it has on equality, fiscal policy-making was presented as a tool of affecting the distribution of resources and balance of power across different social groups.

The aim of gender budgeting is to transform the household within the meaning of gender justice. Public funds should be used in a way that men and women benefit from those equally. Whereby, equality and efficiency are not mutually exclusive but complementary. The more differentiated needs of sexes are identified, the more efficiently they can be targeted. The knowledge on the effects of public funds make budget planning more transparent and realistic (Rudolf 2008, p. 489).

Through gender budgeting, all revenues and expenditures in the budget process can be examined on the effects they have for women and men and the social gender ration. Gender budgeting reflects the social distribution of resources, time and money, paid and unpaid work and the state's control over state benefits (Rudolf 2008, pp. 488-489). *"Gender budgeting is an instrument for the systematic analysis, control and evaluation of a household in terms of its*

*contribution to the actual implementation of equal rights for women and men, and can help to eliminate existing discrimination against women.*" (FES 2007, p. 54). Gender budgeting provides analyses and control elements on budgeting, it contributes to the objectification of gender politics, is a mechanism to have a transparent system over the distribution of public finances, as well as it is an effective tool to allocate resources. (FES 2007, p. 56).

## **Legal Frame for Gender Budgeting in Europe**

A milestone for the enforcement of women's rights and equality and towards balanced budgeting was adopted in 1995, in Beijing, China, on the Fourth World Conference on Women. 189 states signed the Beijing Platform for Action. The Platform for Action proposes strategic actions on how to deal with gender inequalities in areas where it recognizes women's rights to be violated (Platform for Action 1995). The Platform states the equality between women and men to be *"[...] a matter of human rights and a condition for social justice and is also a necessary and fundamental prerequisite for equality, development and peace"* (Platform for Action 1995, Chap. 1, Para. 1).

Together with the endorsement of the Platform for Action went a commitment to achieve *"gender equality and the empowerment of women"* (Moser and Moser 2005, p. 11). The most important mechanism to achieve gender equality was said to be *gender mainstreaming*<sup>1</sup> (Moser and Moser 2005, p. 11). One of the tools of gender mainstreaming is gender budgeting.

*"Financial and human resources have generally been insufficient for the advancement of women. [...] Full and effective implementation of the Platform for Action, including the relevant commitments made at previous United Nations summits and conferences, will require a political commitment to make human and financial resources available for the empowerment of women. This will require the integration of a gender perspective in budgetary decisions on policies and*

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<sup>1</sup> Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies and programs, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programs in all policies, economic and social spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality (UN 1997, 28)

*programs, as well as the adequate financing of specific programs for securing equality between women and men. To implement the Platform for Action, funding will need to be identified and mobilized from all sources and across all sectors. The reformulation of policies and reallocation of resources may be needed within and among programs, but some policy changes may not necessarily have financial implications. Mobilization of additional resources, both public and private, including resources from innovative sources of funding, may also be necessary”* (Platform for Action 1995, Chap. 6, par. 345).

On the national level, governments were addressed with the responsibility of reviewing how women benefit from public sector expenditures and the adjustment of budgets on ensuring equality of access to public sector expenditures (Platform of Action 1995, Chap. 6, par. 346).

The legal requirements for the implementation of gender budgeting were created on the 1<sup>st</sup> of May 1999 with the Treaty of Amsterdam. With this treaty, the obligation of implementing effective policies on gender equality on the grounds of gender mainstreaming was adopted. This treaty is binding to EU member States. In Article 2 of the treaty it is stated:” *The Community shall have as its task, [...] to promote throughout the Community [...] equality between men and women [...]*” (The Treaty of Amsterdam 1997, Art 2). In Article 3 it is also stated:”*[...] the Community shall aim to eliminate inequalities, and to promote equality, between men and women”* (The Treaty of Amsterdam, Art 3). Furthermore, the European Parliament adopted already in 2002 a resolution calling for Member States to follow gender perspectives. In addition, the Commission was asked to prepare within two years a report to establish indicators for gender budgeting. This was all made with the objective of developing an action strategy for the European Union and its Member States. With this report, the effects of fiscal policy on men and women and the redistribution of resources in terms of money and services concerning social and domestic work were evaluated and instruments as well as mechanisms to achieve equality between men and women were assessed (Rudolf 2008, p. 491).

At the Conference in Brussels held on the 16<sup>th</sup> to the of 18<sup>th</sup> October 2001, the European Union agreed on a deadline for the implementation of gender budgeting in the member states to be functioning by 2015 (Judd 2002, p. 185). “*[...] The goal is to mobilize political and financial*

*support to strengthen the capacity of governments as well as civil society organizations to strengthen capacity to carry out these initiatives and to support the global vision of gender responsive budget initiatives in all countries by 2015.” (Judd 2002, p. 185).*

With all of these proposals, the legal frame was set for introducing gender budgeting mechanisms, laws and policies on national levels.

## **Examples on Gender Budgeting Initiatives**

### **United Kingdom**

In the UK, since 2001, consultations are being held regarding implementation of new taxes and how those will affect gender equality. On the issue of equitable distribution, the Treasury and the Department for Equality are being given advice by the Women’s National Commission (WNC) and experts from the Women’s Budget Group (WBG). The members of WBG work in universities, trade unions and NGOs (WBG 2011) and concentrate most of its work on taxes and benefits rather than on expenditure.

### **Belgium**

In 2007, the Belgian government adopted the “gender mainstreaming law” (Gender Mainstreaming... 2011). Soon after, the Belgian Minister of Equality inclined a feasibility study on gender budgeting. Methods and tools of gender budgeting were tested and trainings carried out on the administrative level. In a second phase, trainings were held in ministries on the topic of data location and distribution of money to enable a gender perspective and to work toward possible approaches for gender-equitable disposition of money (Rudolf 2008, p. 492). The Belgian Institute for Equality between Women and Men aims to ensure that the principles of gender budgeting are being implemented at the federal level (Gender Mainstreaming... 2011).

### **Austria**

On the 9<sup>th</sup> of March 2004, gender budgeting was introduced at the state level in Austria. The government defined the overall goal in considering gender mainstreaming in all budget policy

measures of the ministries. An inter-ministerial Working Group for Gender Mainstreaming (IMAG GM) had already been established in 2000 (Federal Chancellery 2011).

### **Germany**

The German Constitution declares the obligation of the state to an active and effective equality policy. Article 3 brings out the duty to promote: “[...] the actual implementation of equal rights for women and men and take steps to eliminate disadvantages that now exist” (Basic Law... 1993, Art. 3 Para. 2). The principle of gender mainstreaming is also anchored in Art 2 of the Federal Equal Opportunities Act. To implement these principles, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) elaborated a concept on the implementation of gender budgeting. In 2000, an inter-ministerial Working Group on gender Mainstreaming (IMA) was established (Genderkompetenzzentrum 2010). The IMA founded a sub-working group on gender budgeting (IMA-GB) in 2003 (Council of Europe 2005).

### **Norway**

Norway has a long tradition of gender equality policies. In 1979, the Equal Treatment Act was signed (amended in 2002). In 2000, the Ministry of Children and Family started a gender-budgeting pilot project where financial experts and staff from Equality Unit were included. The same team now coordinates similar activities in eight different ministries (Rudolf 2008, p. 494). The Ministry for Children and Equality in Norway monitors and coordinates gender budgeting and gender impact assessments of policy reforms in all ministries (Gender in Norway 2006).

### **Sweden**

The Swedish government started using gender mainstreaming strategies in the mid-1990s. The coordinator of these strategies is the Minister of Gender Equality. In 2002, with the intention to make gender aspects more visible, a gender budgeting project on the governmental level was launched (Rudolf 2008). The project “An Equal Share” was launched (from 2002 to 2004) to work on gender mainstreaming of the central government budget process. The areas of work of the project, were among other, also method development and identification of training requirements. Nowadays, gender mainstreaming mechanisms used in the budget process have become a part of regular work of the government. By doing so, Sweden focuses on three main areas: 1) highlighting the gender equality perspective in the decision-making material that form the basis of economic policy 2) economic management and control of public agencies 3) statistics disaggregated by sex (Ministry of Industry... (2006), p. 13).

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