



## ■ What is gender budgeting?

### 1. Definition

Gender budgeting is part of the gender mainstreaming strategy. Gender budgeting focuses on a gender-based analysis and an equality-oriented evaluation of the distribution of resources. These resources are mainly money, time as well as paid and/or unpaid work. Gender budgeting seeks to achieve a gender-equal distribution of resources.

Such a comprehensive understanding of gender budgeting is necessary

- because the focus is not limited on money only. To make sure that there is a really gender-equal distribution of resources amongst women and men, it is necessary not only to include the “official” monetary economy (money flows, income, paid work) but also private, unpaid reproduction work (care, child care, care for the elderly, voluntary services). The most important resource that clearly shows the gender-relevant interactions of these two areas is time;
- because this is the only way to discover the indirectly discriminating implications of the shift of tasks between the state, the private industry and the private care sector. As a consequence of such changes, we often witness two-fold privatisations: one part of the tasks is assigned to the market-oriented services industry, while unpaid work is left to the private sphere. One effect is – whether intended or not – that, due to the still prevailing gender-specific division of labour, the lion’s share of the shifted burden falls to women as unpaid work;
- because decisions that are not related to the budget may also have a major impact on the distribution and use of resources. Therefore, gender budgeting does not only have to be implemented in the budgetary sphere but also in a whole series of other activities and specialised areas as well as in the context of existing methods. In addition to the budgetary sphere, this mainly includes areas such as allowances and contributions, taxes / income, labour, economy, family, social and civic commitment as well as the methods of (law) impact assessments, effectiveness analysis and evaluation;
- because gender budgeting not only addresses public institutions but also industrial enterprises, associations and NGOs.

It is not enough to understand gender budgeting merely as a gender-differentiated analysis of the use of certain public funds. This is only a small, yet necessary part. But this alone neither qualifies for implementing a gender-equality-related evaluation of the total budget, nor does it make statements on gender-related interactions of expenditures with other resources possible.



## 2. Starting points

**Seemingly neutral resource-efficient decisions do not affect all people in the same way.**

**Women and men are not homogenous groups.**

Men and women differ in their different living circumstances, age, origin, physical and mental dispositions, education etc. and are affected in different ways by resource-effective decisions. The implications of these decisions may have an extremely different impact on women and men.

The **distribution of resources** in a society is a decisive factor for the participation of individuals in social decision-making processes, and for their esteem within the social fabric. The public budget clearly reflects the value-related decisions and priorities of a government.

**Gender-related effects of resource-effective decisions on the private division of labour need to be taken into account.**

Perceiving families as an economic unit conceals the internal, often gender-differentiated division of labour. Consequently, the implications of resource-effective decisions must not only be referred to private households as economic and consumer units. Only an analysis that takes individuals (i.e. children, women and men) into consideration can perceive gender-differentiated consequences.

**Unpaid work is an important part of the economic performance of a society.** The traditional concept of an economy does not take unpaid work like child care, household work, care for the elderly and also voluntary civil society work into account when paying benefits. The work of the unpaid sector plus the work of the monetary economic sector result in the total economic output of a society.

Unpaid work is a payment in kind for society. This is especially apparent in the case of tasks that had been carried out by the state but it also affects any kind of non-profit work as well as "traditional" household and family work. Consequently, unpaid work needs to be considered as an invisible contribution to the community. This contribution is made, but has not yet been included in economic calculations.

**Unpaid work and private division of labour can only be reasonably mapped by taking the time factor into account.**

In this context, there should be a call for the time factor to be taken into account when performing economic calculations. This would make it possible to account for the fact that the time that a person spends on child care, for instance, is not available for gainful employment. Thus, the overall objective is to counteract gender-based exclusion from gainful employment and social decision-making processes.

The introduction of the time factor into economic accounting also facilitates a much more realistic **impact assessment** of austerity measures that have to be compensated by unpaid work. If more and more tasks are provided by private people, less time is available for individual private care tasks (e.g. child care). It is therefore unavoidable that the quality of provided services (e.g. child care) frequently suffers. Follow-up costs will arise because of insufficient care. Short-term savings may thus cause higher long-term costs.



### 3. Gender budgeting as part of gender mainstreaming in the case of financially effective decisions of the public sector

In the current discourse, gender budgeting is often understood as a procedure for the systematic analysis and development of **public budgetary policies** which aims at focusing on gender equality. In doing so, all budget-related political decisions, measures, programmes and laws as well as budgets are reviewed with regard to their consequences for different women and men.

On the basis of the results of this analysis, the entire budgetary procedure is redesigned in order to implement a gender-equitable resource distribution. This includes the necessary restructuring of revenue and expenditure procedures.

There are three reasons why public budgets are the focus of attention:

1. It is mostly political entities such as states, federal states or municipalities that have committed themselves to applying the strategy of gender mainstreaming. In these entities, the decision concerning how financial funds are used is a decisive means for political control and must therefore be included in a comprehensive gender equality strategy.
2. Public budgets are of major national economic importance and have significant implications on the framework conditions of individual decisions. Consequently, they must be included in a gender mainstreaming strategy in the area of economic policy.
3. Public expenditure and revenue can more easily be politically shaped and influenced than the financial money flows of private industry.

The overall goal of gender budgeting is to achieve a gender-equality-oriented resource distribution on all areas of resource allocation.

With regard to financially effective political decisions, this implies **gender-equitable budgetary policies** that encompass public revenue and expenditure as well as regulations and measures pertaining to economic policy. The **gender perspective** should be integrated into every phase of budgetary decisions and into the drawing up of budgets. This implies a **change of priorities** that focuses on the implementation of gender equality of women and men.

While focusing on public budgetary policies, it is important to note that major parts of the budget law and the budget of a certain entity are predetermined by other financially effective decisions (laws, resolutions, programmes, etc.). Thus, the gender-related analysis and gender-equality-oriented use of resources should refer to all financially effective decisions.

It is a decision within the implementation strategy of the political entity involved in terms of whether the financial consequences of a new law (e.g. on child care) are assessed under the name 'gender budgeting' or by using other tools of gender mainstreaming (e.g. impact assessment with the tool "Arbeitshilfe Rechtsetzung" of the Federal Government) for the purpose of gender equality.



## 4. Background and development

Gender budgeting came into being in the international context of economic globalisation. Countries of the Commonwealth were the first to take steps towards the implementation of gender budgeting.

Gender equality policy used this approach to respond to the on-going restructurings and imposed structural adjustment programmes – in other words, to the subsequent reduction of public tasks. The privatisation of tasks took place in two ways: one part of the tasks is transferred to the market-oriented services industry; the other part is left to the unpaid work of the private sector.

Since women still provide the biggest part of private, unpaid care work, these shifted tasks mean an additional burden for them or they are no longer able to fulfil these tasks, which, as a rule, has negative consequences for their families and society as a whole.

Thus, gender budgeting dates back to an economically founded criticism of certain measures pertaining to economic policy and their negative implications for women in labour market, family and social policies. Since these economic-policy-related decisions as a rule were connected to major restructurings of public budgets, the gender-equality-oriented analysis was extended to public budgets.

Here, the revenue side (mainly tax policy but also other levies) as well as the expenditure side (expenses for personnel, performance laws, subsidies in the context of programmes and projects) were considered.

The macroeconomic and/or politico-economic dimensions of a gender-oriented resource analysis and gender-equality-oriented control are only marginally or not at all mentioned in some current definitions of gender budgeting.

As a rule, the limitation of gender budgeting to a gender-related analysis and gender-equality-oriented putting up of public budgets that can often be found is due to the logic of the corresponding context for political action. This is, for instance, reflected in the European Parliament resolution on GB (P5\_TA(2003)0323). Regarding the definition of the term it reads:

*"... Gender Budgeting [is] the application of gender mainstreaming in the budgetary process; this entails 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."*

In the same resolution "the [EP] stresses the fact that macroeconomic policy can contribute to narrowing or widening gender gaps in terms of economic resources and power, education and training and health" and thus incorporates the macroeconomic perspective in all political decisions.

This resolution was not about excluding macroeconomic issues from a systematic, gender-related analysis and equality-policy-related evaluation; it was rather about integrating the so far neglected area of budgetary policies into this systematic analysis and evaluation. Here, particular emphasis needs to be placed on the fact that the EU is already very active when it



## Materials > Gender Budgeting > What is Gender Budgeting?

comes to evaluating politico-economic issues from a gender equality policy perspective (European Employment Strategy, European Social Fund).

### 5. Benefit

Gender budgeting offers a range of advantages that partly go beyond an effective contribution to gender equality:

- GB creates greater transparency regarding the criteria that form the basis for budget-related political decisions.
- GB facilitates greater accuracy and sustainability because available funds are more precisely tailored to the real needs of the different social groups.
- GB is a procedure that makes discriminating implications of financially effective decisions visible and that enables a gender-equitable restructuring of resource-related decisions.
- GB is an option to put gender-equality-related goals into practice, including in times of bigger budgetary margins.

### 6. Questions

In the context of gender budgeting, a whole range of questions have been formulated that serve to analyse resource-effective decisions and check their efficacy regarding gender equality:

- What impact does a resource-effective decision / measure have on the living conditions of women and men in their diversity?
- Who directly or indirectly benefits from state expenditures?
- What impact do economic measures have on unpaid work and which social groups do this kind of work?
- Which women and men pay what kind of direct, indirect and invisible taxes (as unpaid work) to the community?
- What resource-effective decisions / measures consolidate or change existing gender roles?

These questions serve as an initial basis for developing tools and action steps for the implementation of gender budgeting.

### 7. Gender budgeting approaches

There are **no standardised tools** for the implementation of gender budgeting. This is mainly due to the extremely different national and local conditions governing budgetary and resource-related decisions. Therefore, translation of the given experiences into other contexts is limited. The different base lines and questions of gender budgeting initiatives require a customised adaptation and harmonisation of tools to the relevant needs.

**Materials > Gender Budgeting > What is Gender Budgeting?**

In the context of various gender budgeting initiatives, a whole range of approaches have been developed that Budlender, among others, compiled in a **set of seven tools**.

These tools are not to be directly integrated into the work of an administrative authority; however, they do offer important guidance

1. Gender-equality-oriented evaluation of political / economic strategies (by gender equality players)
2. Gender-sensitive check and analysis of individual financial priorities  
Both approaches ensure the inclusion of the gender perspective in budget-relevant processes at the level of players.
3. Gender-oriented breakdown of the use of public funds (expenses)
4. Gender-oriented breakdown of public revenues
5. Gender-oriented breakdown of the impact of public funds on time management
6. Gender-equality focus in medium-term financial planning

These four approaches (3. – 6.) enable a comprehensive analysis of the implications of budgetary processes on social gender relations. These four approaches help to make gender-specific consequences of allegedly neutral budgetary activities visible.

7. Gender-equality-oriented explanation of budgets  
The gender-equality-oriented explanation of budgets includes accountancy and is therefore already a form of controlling.

Tools and steps for action that are based on these gender budgeting approaches have to be tailored to national and regional conditions and to the individual fields of action, subjects and specialised departments in administrative authorities. Already existing **GM tools** are all also to be considered in order to avoid double work. For example, in the case of legislative procedures for a gender-oriented impact assessment of resource distribution, it would be possible to build on the '*GM-Arbeitshilfe Rechtssetzung*' (support document on 'Gender Mainstreaming in the Preparation of Regulations') of the German Government.

## **8. Implementation in the context of specialised tasks**

The main steps for implementing gender budgeting need to be taken in the context of specialised tasks:

**Materials > Gender Budgeting > What is Gender Budgeting?****a) Analysis of the actual situation**

What does the actual situation regarding the distribution of resources between men and women look like? Who contributes to the services / revenues of a community, and to what extent? What are the reasons for the unequal contribution of women and men to revenues / services? Who benefits from services / expenses?

**b) Gender-equality-oriented assessment of resource distribution**

Do women and men benefit equally / differently (in the case of the latter, how) from the actual distribution of resources? Have gender-related differences in the needs been sufficiently / reasonably taken into account? Can an unequal distribution be justified as compensation for specific discriminations? What are the root causes for gender-related disparities concerning the different resources? What are the next specific goals that may contribute to a reduction of a gender-related unequal distribution of resources?

**c) Participation-oriented development of measures for gender equality in resource distribution**

Whose interests will prevail in the existing budgetary procedure? How powerful are the different interests when it comes to the distribution of resources? Who needs to be taken onboard in order to avoid gender-specific distortions?

These questions can only be answered in the context of specialised tasks tailored to the individual subject areas. Many of these questions have already come up in the framework of implementing gender mainstreaming in different fields. Gender budgeting is about systematising a gender-based analysis and gender-equality-oriented evaluation with regard to the distribution of resources. As a rule, the working method tools that have been developed so far for gender mainstreaming can be amended or specified accordingly without any significant degree of effort.

Working methods and tools that serve to evaluate or analyse the cost impact and consequences for the distribution of resources have to incorporate gender at an analysis level and gender equality as an assessment benchmark. This applies, for instance, to the assessment of follow-up costs of bills, economic impact analyses or the evaluation of programme expenses.

**9. Factors of success**

- Examples in the **United Kingdom** have shown that, wherever GB has been introduced and is supported by politics, administration and civil society major implementation successes occurred. The introduction of GB in the UK is not a pure administrative process. The political will of government *and* of civil society is an important prerequisite. It is of utmost importance to have committed people who - via civil society initiatives - keep the lengthy process going. On the part of administration, an intensive cooperation between the Department of Finance and the Department of Gender Equality has proven to be the most successful approach. Here, the top-down-principle has become a central element in order to highlight the significance and to promote motivation.



Materials > Gender Budgeting > What is Gender Budgeting?

- Experiences in **Austria** and **Switzerland** have shown that gender-differentiated data collection is the basis for the target-group-oriented use of public funds and the avoidance of follow-up costs. If it is possible to successfully communicate this in the context of gender budgeting initiatives, the approach will also be accepted in the administrative sector.
- The example of the City State of **Berlin** clearly illustrates the key role that the representation of the people plays in gender budgeting processes. Based on a comprehensive resolution, the Parliament of Berlin initiated the implementation of GB in the City State and its districts. In addition, important players in Berlin's administrative authorities recognised the potential of gender budgeting for transparency and modernisation processes in budget management.

Source: <http://www.genderkompetenz.info/gendermainstreaming/strategie/genderbudgeting/>