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**GENDER-RESPONSIVE BUDGETS:
A REVIEW OF COMMONWEALTH EXPERIENCES**

Paper by the Commonwealth Secretariat*

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I. OVERVIEW

Governments, intergovernmental organisations, development agencies, parliamentarians and civil society groups are using gender-responsive budgets to advance gender equality. Gender-responsive budget initiative provides a means for determining the impact of government revenue and expenditure policies on women and men.

2. The Commonwealth has been closely associated with gender-responsive budgets. This is due in part to the fact that nearly half of the fifty known initiatives are from the Commonwealth. In addition, the Commonwealth Secretariat has been centrally involved in the production of tools, methodology and capacity building materials for this programme area; the Commonwealth has contributed to the international advocacy for the implementation of gender-responsive budgets; and the Commonwealth Secretariat has encouraged partnerships and collaboration between agencies to support work in this area.

3. Some of the more compelling justifications for implementing gender-responsive budgets include: addressing gender disadvantage; integrating gender into macroeconomic policy; emphasising the role of fiscal policy in addressing poverty and social need; supporting gender mainstreaming; enhancing governance; and monitoring and evaluating government spending.

4. The Commonwealth country experiences have highlighted the importance of the Ministries of Finance and Women's Affairs to be involved in these initiatives and the added value of participation by lawmakers and civil society groups. Future areas identified for development include revenue analysis and expanding the methodology for monitoring of the Millennium Development Goals (MDGs).

II. ISSUES FOR CONSIDERATION

5. Ministers may wish to:

- recommend that Commonwealth governments implement gender-responsive budgets as part of a wider strategy to enhance economic growth, make development more equitable and reduce poverty;
- endorse the need for partnerships among multilateral and bilateral agencies to support this work at the country level, and also for possible collaboration between governments and civil society institutions, especially women's organisations and economic and social research institutes; and
- support future programme directions, including work on taxation and revenue measures and on expenditure tracking mechanisms towards the attainment of Millennium Development Goals (MDGs).

III. INTRODUCTION

6. Gender-responsive budgets have caught the attention of the gender and development community. Governments, intergovernmental organisations, development agencies, parliamentarians, and civil society groups are promoting the use of gender-responsive budgets as a central part of their strategy to advance gender equality. This enthusiasm reflects the varied purposes gender responsive budgets can serve. These include, among others:

- improving the allocation of resources to women;
- supporting gender mainstreaming in macroeconomics;
- strengthening civil society participation in economic policy making;
- enhancing the linkages between economic and social policy outcomes;
- tracking public expenditure against gender and development policy commitments; and
- contributing to the attainment of the Millennium Development Goals.

7. Gender-responsive budgets provide a means for determining the effect of government revenue and expenditure policies on women and men. They can consist of different components and vary considerably across countries and regions given their specific social and political contexts, and the nature of the institution implementing them. These initiatives, led by governments, parliamentarians or civil society groups, involve the examination of how budgetary allocations affect the economic and social opportunities of women and men. This involves the separation and examination of government expenditures in the following three categories:

- a) ***Gender specific expenditures:*** these are allocations to programmes that are specifically targeted to groups of women, men, boys or girls, such as programmes on men's health or combating violence against women.
- b) ***Expenditures that promote gender equity within the public service:*** these are allocations to equal employment opportunities, such as programmes that promote equal representation of women in management and decision-making across all occupational sectors, as well as equitable pay and conditions of service. This is distinct from programmes that promote the employment of equal numbers of women and men.¹
- c) ***General or mainstream expenditures:*** these are allocations that are not covered in the two categories above. The analysis 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 are also the most critical because more than 99 per cent of government expenditure usually falls into this category

8. The programme does **not** propose separate budgets for women nor necessarily argue for increased spending to women-specific programmes.

IV. BACKGROUND

9. The Commonwealth has been closely associated with gender-responsive budgets. This is due in part to the number of Commonwealth initiatives that have been implemented, in that nearly half of the fifty known initiatives are from the Commonwealth. Additional factors include:

¹ Having equal numbers of men and women does not prevent a situation where, for example, with 100 employees, the 50 men are managers and the 50 women are secretaries.

- the Commonwealth Secretariat has been centrally involved in the production of tools, methodology and capacity building materials for this programme area;
- the Commonwealth has contributed significantly to the international advocacy for the implementation of gender-responsive budgets; and
- the Commonwealth Secretariat has sought to encourage partnerships and collaboration between agencies interested in supporting work in this area. The most significant outcome of this has been the programme partnership with the International Development Research Centre (IDRC) and the United Nations Development Fund for Women (UNIFEM).

Commonwealth countries, which have sought to implement gender-responsive budgets, include Australia, Bangladesh, Barbados, Belize, Botswana, Canada, Fiji Islands, India, Kenya, Malawi, Malaysia, Mauritius, Mozambique, Namibia, Nigeria, St Kitts and Nevis, South Africa, Sri Lanka, Swaziland, Tanzania, Uganda, UK, Zambia and Zimbabwe.

10. From the outset, one of the Commonwealth Secretariat's aims was to develop resources that could be utilised around the world in the implementation of gender-responsive budgets. These efforts culminated in the development of expenditure tools with different entry points for applying a gender analysis to government budgets (Elson, 2002: 44-47) and a methodology for implementing a country programme (Budlender & Sharp, 1998).

11. The Commonwealth's international advocacy was highly successful. It was at the Fifth Meeting of Commonwealth Ministers Responsible for Women's Affairs in 1996, that the issue of gender-responsive budgets was included for the first time on the agenda of an intergovernmental meeting. Its inclusion on the Commonwealth Finance Ministers Meeting (2002) is also the first time a meeting of finance ministers will discuss gender concerns as a specific agenda item. The Commonwealth Secretariat has also sought to raise awareness of the value of gender-responsive budgeting in different fora including at the United Nations and the Organisation of Economic Cooperation and Development (OECD), and on a regional basis with the Asian Development Bank (ADB), Pacific Islands Forum and Southern African Development Community (SADC).

12. The Commonwealth Secretariat has developed partnerships to strengthen the scope and capacities of gender-responsive budgets. The new inter-agency partners, the International Development Research Centre (IDRC) and the United Nations Development Fund for Women (UNIFEM), are working with the Commonwealth to support the new thrust of the programme. The new partners bring unique and critical resources to the work. UNIFEM works towards enhancing the role, capacity and participation of women at all levels: national, regional and international. IDRC seeks to help developing countries find solutions to social and economic problems through research, recognising that equitable and sustainable development requires an understanding of the differential impact of policies on women and men.

V. RATIONALE FOR GENDER-RESPONSIVE BUDGETS

13. A gender-responsive budget is an important mechanism for ensuring greater consistency between economic goals and social commitments. Some of the more compelling justifications are presented below, taking into account economic, political, legal and rights-based factors, including mandates from the various international agreements and declarations

to which Commonwealth members and other states are signatories. These justifications have been listed individually below although, as the subsequent sections suggest, they are often interlinked and mutually reinforcing:

- Gender disadvantage;
- Gender and macroeconomic policy;
- The role of fiscal policy in addressing poverty and social need;
- Gender mainstreaming;
- Governance; and
- Monitoring and evaluating government spending.

Gender disadvantage

14. During the last decade, a number of meetings have been convened to try to transform the reality of women's lives. In Vienna, in 1993, the World Conference on Human Rights asserted that women's rights are human rights. In Cairo, in 1994, the International Conference on Population and Development (ICPD) built on this assertion and placed women's rights and health at the centre of population and development strategies. In Beijing, at the Fourth World Conference of Women in 1995, governments declared their determination "to advance the goals of equality, development and peace for all women everywhere in the interest of all humanity".

15. Gender equality is also a fundamental commitment in the Commonwealth, as agreed by Commonwealth Heads of Government, and embodied in a Commonwealth vision of a world "in which women and men have equal rights and opportunities in all stages of their lives" (1995 Commonwealth Plan of Action on Gender and Development). However, declarations, policy commitments and programme responses have been insufficient in arresting the life cycle of inequality that most women face.

16. According to the 2000 edition of the *World's Women: Trends and Statistics*, despite some progress being made, the situation of the world's women is still grim. The document indicates that:

- nearly two thirds of the illiterate people in the world are women;
- in developing countries, maternal mortality continues to be a leading cause of death for women of reproductive age;
- according to global estimates, women now account for nearly half of the adults living with HIV/AIDS and in 1999, women comprised 52 per cent of the adults who died from AIDS worldwide;
- women are still under-represented in decision-making in both government and business sectors, especially at senior levels; and
- women's work continues to be very different in nature from men's. Women are engaged in less formal, lower status types of work and continue to receive less pay than men for the same work.

Gender and macroeconomic policy

17. Over the last decade, there has been a growing recognition of the importance of macroeconomic policy in shaping women's living standards and their prospects for economic

empowerment. The Commonwealth and UNICEF, in 1989, in their pioneering work on the negative impacts on women of structural adjustment policies, brought the need to integrate a gender perspective into macroeconomic policy to the attention of the international community.

18. This critique of mainstream macroeconomics helped uncover the fact that while macroeconomic policy, dealing with economic models and financial aggregates, appeared to be gender-neutral it was in fact gender blind. This gender blindness came about because in the formulation of macroeconomic policy, the different socially determined roles, responsibilities and capabilities of women and men were overlooked. The consequences of this being that women are generally left in an unequal position in relation to men with less economic, social and political power.

19. There has also been a growing understanding of the way in which gender inequality can constrain macroeconomic outcomes. The World Bank Report, *Engendering Development* (2001) investigated how gender inequality hinders development, highlighting the costs of gender inequality to productivity, efficiency and economic progress. The Report notes “by hindering the accumulation of human capital in the home and labour market, and by systematically excluding women or men from access to resources, public services, or productive activities, gender discrimination diminishes an economy’s capacity to grow and to raise living standards”.

The role of fiscal policy in addressing poverty and social need

20. The new Millennium has been dominated by the acceleration and continued expansion of the processes of globalisation. Although there have been significant gains for certain individuals, some countries and various corporations, there has also been considerable hardship for many, including the poor and other vulnerable or marginalised groups. To the contrary, the widening gap between rich and poor countries, and between rich and poor groups within countries is one of the challenging issues that policy makers must address by targeted interventions.. The social dislocation caused by the recent crises in East Asia and South America, and the current global preoccupation with human security issues, has created a renewed interest in the social dimensions of macroeconomic policy, reminiscent of the critiques of structural adjustment and stabilisation programmes implemented in the 1980s.

21. Government has a central role in addressing social need and promoting equity. The responsibility of government is derived from the fact that the private sector is unlikely to invest in the promotion of equity, which is itself, a public good. In addition, rights to elements of social assistance and protection are contained in the Universal Declaration of Human Rights. Fiscal policy, primarily expenditure allocation, is the main instrument available to governments in developing countries to address social needs. However, as budgets are constrained by limited resources and governments face competing demands, policymakers need to be able to evaluate the impacts of public spending policies. The increasingly liberalised international economic environment has restricted many sources of revenue which were previously available to governments to fund social expenditures.

22. In the context of widespread and increasing incidence of poverty in the developing world, there is renewed focus by governments and multilateral and bilateral agencies on poverty reduction. This was clearly articulated at both the UN Millennium Summit and the Monterrey Conference on Financing For Development.

23. Gender issues are important for understanding poverty and identifying strategies to reduce it. The feminisation of poverty has underscored the gender dimension of all aspects of poverty. Females are usually less able to overcome poverty. Women and girls in poor households have less access to household goods and public services than their male counterparts. They suffer violence on a large scale. They are more likely to be illiterate as well as politically and socially marginalised in their communities.

24. Government budgets are crucial instruments for distributing resources towards the poor in society. It is in the annual budget that the government is able to cost and allocate resources to meet policy priorities on poverty reduction. Although there is no set formula to determine how best to allocate resources to have the maximum impact on poverty, it is less difficult to detect those aspects of a budget, which are clearly not aimed at poverty reduction, or are ineffective or undermine it.

Gender mainstreaming

25. Gender-responsive budgets were designed as a compatible application with gender mainstreaming, the current international approach to promoting equality between women and men. The realisation of the goals of gender equality need to be supported by the allocation of necessary human, financial and material resources to ensure gender equality at the local, national and international levels. Gender-responsive budgets serve as a mechanism to match policy commitments on gender and development with available resources.

26. In the Commonwealth, gender-responsive budgets were seen as an important tool for gender mainstreaming. The synergies between gender-responsive budgets and gender mainstreaming were apparent from the onset. They served as a tool to monitor expenditure for the Commonwealth's gender management systems approach, a holistic and system-wide approach to gender mainstreaming. Also, as budgets involve all government ministries and departments, these initiatives could provide a practical opportunity for officials across sectors to integrate a gender analysis to their areas of work. Finally, given the central role of Finance and Planning Ministries in budget management and general governmental decision-making, gender-responsive budgets were seen as capable of introducing gender issues into the epicentre of government operations and financial management.

Governance

27. The last decade has seen a global movement towards improved governance, that is, increases in accountability, participation and transparency within government decision-making processes. This trend has not escaped the budget process as local, national, regional and international agencies are requesting that there be improved governance of government budgets. In developed countries, recent budget reforms have placed greater emphasis on transparency. There is a similar quest for more open and democratic processes in developing countries.

28. One of the significant aspects of enhancing governance processes has been decentralisation, which brings the budget process closer to and promotes greater responsiveness to the needs of local communities. This allows for increased participation by the local community and local legislators in budget decision-making.

29. Gender-responsive budgets respond to the issue of the costs to development of systematically excluding women from government decision-making. The inclusion of women's voice and a gender perspective into decision-making enhances the legitimacy of governance, and enriches political processes by contributing new skills, styles and visions.

Monitoring and evaluating government spending

30. The series of UN conferences in the 1990s, which spoke to issues of gender and development, established the relationship between gender, political commitment, resource allocation and development. Governments, in recognition of the imperative of gender, agreed a target of 30 per cent women in decision-making positions by 2005, and also under the Millennium Development Goals, committed by 2015 to:

- provide universal primary education;
- achieve equivalent levels of education for boys and girls;
- make reproductive health care accessible to all;
- achieve infant mortality below 35/1000 live births;
- reduce maternal mortality by at least half – to below 75 per million births; and
- achieve life expectancy of greater than 70.

31. However, while governments have been exemplary in their policy statements and endorsement of international agreements on gender and development, the tangible outcomes have been mixed. Some countries have made progress with their commitments, while for others progress has been slow, or in some instances significant setbacks have occurred. One major cause of the limited progress, apart from recent economic crises, has been the insufficient allocation or ineffective use of public resources. What is required is a mechanism to track government expenditure against the commitments to gender and development under these agreements.

32. Gender-responsive budgets provide a range of tools to incorporate gender variables into planning and budgeting processes (Elson, 2002: 44). There are several methodological approaches to do this through the budget:

- gender-aware policy appraisal;
- beneficiary assessments;
- expenditure incidence analysis;
- revenue incidence analysis;
- impact of government spending on time use; and
- disaggregating sex variables into the medium-term expenditure framework or introducing new variables to represent the unpaid care economy in planning.

VI. COMMONWEALTH COUNTRY EXPERIENCES

33. Attempts to apply a gender analysis to government budgets began in Australia, in 1984. The exercise was undertaken by the government and co-ordinated by the Office of the Status of Women. At its height, it was integrated into the budgetary preparations of the federal and all state and territorial budgets. Canada followed, in 1993, with a one-off non-governmental organisation initiative, which focused on the reallocation of defence spending to social services. The South African initiative began in 1994. In 1995, the Commonwealth

Secretariat sought to build on the successes of these pioneering initiatives and began a five-country pilot project.

34. The nature of the gender budget work varied from country to country. Some were co-ordinated and led by governments and others by civil society agencies. In a small number of countries, a parallel and complementary dual-track approach, both government and civil society activities, was used, with connections between the separate initiatives. Based on the responsibility of the executive and legislative branches for national budgets, the Commonwealth Secretariat promotes government-led initiatives, implemented in collaboration with civil society institutions, where applicable.

35. The number of participating countries, donor agencies and other supportive actors involved in the programme continues to increase. The groundswell of support is a consequence of the capacity of gender-responsive budgets to advance the process of gender equality in a tangible and practical way, that is, by linking objectives related to gender equality directly to public resource allocation and use. A further strength of the programme is the central involvement of the State, in collaboration with civil society institutions, in the design and implementation of country initiatives.

36. The role of different country-level actors and the strategies and components in the programme are examined below in order to identify what worked but also to indicate what changes may be required to ensure greater effectiveness and the sustainability of the programme.

The Role of the Ministry of Finance

37. One of the features of the Commonwealth Secretariat's initiative is the direct engagement and co-ordination of the programme by the Ministry of Finance (incorporating the budget department). The Commonwealth Secretariat's gender responsive budgets in Barbados, the Fiji Islands, South Africa, Sri Lanka and St Kitts and Nevis were led by Ministries of Finance, which provided the most strategic way forward for the following reasons:

- a) The Ministry of Finance has the requisite technical expertise to implement this process within the government.
- b) For these initiatives to be effective, they have to be implemented within the context of the annual budget cycle and the medium-term expenditure framework, which are usually co-ordinated in the Ministry of Finance.
- c) Within a framework of gender mainstreaming, the ministry/department responsible for the programme area, in this case the budget office, is encouraged to take the lead on the implementation of the programme.

The Role of the Ministry Responsible for Women's Affairs

38. Although the participation of the Ministry Responsible for Women's Affairs is vital, it will tend to play a supportive rather than a leadership role because of a lack of the requisite technical skills and resources to co-ordinate the implementation of the programme. Rather than being a criticism, this recognises the severe financial, human and technical resource

constraints these Ministries often face.² Alternatively, given the cross-cutting nature of these Ministries' mandates, instead of programme implementation they may also see their role more as advocates and catalysts to mainstream gender and encourage action within government as a whole on gender equality.

The Role of the Political Directorate

39. Budgetary resource allocations are inherently political. Given the scarcity of resources and the competing demands that exist, politicians have to establish strategic priorities based on their understanding of the needs and preferences of their key constituencies. The effectiveness and success of gender budget work, therefore, depends on the degree of political support that the process is able to secure from the highest levels of government: from Ministers of Finance and Ministries Responsible for Women's Affairs and, given the cross-cutting nature of the initiative, from their Cabinet colleagues.

The Role of Lawmakers

40. Institutional arrangements to maintain fiscal discipline can range from formal constitutional restraints on aggregate expenditure through laws to public commitments by the Executive. Within the context of gender-responsive budget initiatives, the thrust towards incorporating the State has been to engage the Legislative as well as the Executive branch. Although it is ministers and officials of national or sub-national governments who draw up budgets, representative institutions such as parliaments, local councils or district assemblies have an important role to play in the budgetary processes. The focus on lawmakers is also important given the recent efforts towards strengthening governance through increased accountability and participation. In Uganda, for example, the initiative emerged as an outside government exercise, the result of collaboration between the Parliamentary Women's Caucus and the Forum for Women in Democracy (FOWODE), a NGO. In 1997, the Women's Caucus embarked on a three-year initiative to examine the effect on women of shifts in public expenditure arising out of structural adjustment packages. After the first year, the initiative was extended to the district level.

41. The formal process of budget formulation may find additional support and greater success through the active engagement of the elected representatives who, using gender-sensitive measurements could support and monitor the attainment of economic and social goals specified in the budget.³

The Role of Civil Society Institutions

42. Civil society participation is important in the Commonwealth. Heads of Government at their Coolom meeting, in 2002, called for stronger links between Commonwealth governments, civil society and NGOs. They noted the significance of civil society in empowering people to benefit from globalisation and in contributing towards the goals of the elimination of poverty, equal opportunity and the fair distribution of resources.

² The 2000 Report by the Commonwealth Secretary-General to the Sixth Meeting of Ministers Responsible for Women's Affairs, held in India, indicated that the need for additional resources was "one area which has not shown improvement since 1996 (when the previous Ministerial Meeting was held) where 76 per cent of ministries indicated that their human resources were inadequate."

³ International Budget Project (IBP) and the Inter-Parliamentary Union (IPU) are working to increase economic literacy among members of parliaments.

43. Civil society agencies engaged in gender-responsive budget initiatives, primarily women's organisations and NGOs, usually support the process by identifying social needs and by examining the budget in terms of how public funds are used to address social concerns. They have also used the analyses as advocacy tools to encourage governments to create a synergy between their economic policy goals and their social policy commitments. Policy research institutes and academic centres have contributed to research and the development of the tools used in the analysis.

44. Since a government's budget, directly or indirectly, affects the life of all its citizens, it is important for all levels of civil society to be consulted. Frequently, it is people with modest means and little political influence who are most affected by budget decisions. For these groups, income assistance and social insurance programmes are especially important to their family's well being, and expenditure in areas such as education and health has a considerable effect on their current vitality and future prospects. Given women's social reproductive roles and their over-representation among the poor, there is a direct interest in examining the effects of budget policies, allocations and expenditures on women. In the United Kingdom, the Treasury has begun a process of consultation with the United Kingdom Women's Budget Group on the impact of taxes and state benefits on women.

45. The *World Development Report 2000/01*, in the section on 'making state institutions more responsive to poor people', speaks of the need to create decentralised mechanisms for broad participation in the delivery of public services. Towards this end, the report underscores the value of engaging civil society and, specifically, working with NGOs. Participatory approaches to budgets – pro-environment, pro-poor and pro-gender – are being pioneered in some countries, reflecting a new understanding of governance, democracy and policy-making processes. In these exercises, participation means incorporating the voices of those whose needs are often ignored. The Tanzanian Gender Networking Programme (TGNP), a national NGO, provided assistance to the Government to incorporate a gender perspective into their national budget.

Decentralisation and Devolved Management

46. The process of budget formulation, monitoring and appraisal has traditionally been a function of the central budget office or the Ministry of Finance. The budget office functioned as a central command and control post, specifying the levels of expenditure, monitoring compliance with regulations, ensuring that the inputs are those agreed in the budget and intervening when deemed appropriate.

47. However, the recent moves towards fiscal decentralisation, in both developed and developing countries, mark a movement towards more broad-based participation and may transform the central governments' decision-making role. Recommendations are for shifts in the decision-making authority from central institutions to line agencies and from headquarters to subordinate units and field offices. In order to reorient its managerial role, the central budget office would have to transform some of its approaches towards its basic functions; the ways in which aggregates are controlled, priorities established and efficiency sought would have to be conducted in an environment of devolved management. This is a crucial entry point for gender budget work that can facilitate ways in which such devolution can be undertaken with mechanisms of participation and accountability in place for public expenditure impact assessments.

48. Several countries, including South Africa, Tanzania and Uganda, have already initiated work at the sub-national level. Local level interventions are necessary since functions and budgets are increasingly being decentralised, often under advice from multilateral and bilateral partners.

VII. LESSONS LEARNED: OPPORTUNITIES AND CHALLENGES

49. The review of the outcomes of these initiatives should be seen within the context of the programme having recently been developed and the need to devise new and more sustainable strategies based on lessons learned. Nonetheless, there have been a number of positive benefits, which should be highlighted:

- an enhanced ability to determine the real value of resources targeted towards gender-specific groups;
- the challenge to notions of ‘gender-neutrality’ of many policies and programmes; and
- the strengthening of the collection and analysis of gender-disaggregated data.

50. Significant factors such as the leading role of the State, especially the budget office and the policy-makers, as well as the incorporation of civil society institutions, are proving of critical significance and need to be focused on in a structured way. Tools for the gender analysis of revenue measures also need to be developed. Gender responsive budgets are proving to be crucial tools for increasing the effectiveness of resource use, strengthening economic management and advancing the pursuit of gender equality.

Opportunities

51. ***Gender-responsive budget analysis provides the opportunity to determine objectively the real value of resources targeted to women, men, boys and girls.*** The emphasis is on analysing the mainstream core government programmes. Since budget allocations to gender-specific programmes do not normally exceed one per cent of total government spending, high-profile programmes such as national gender plans or interventions for girl’s education or against domestic violence should not be interpreted as evidence of an overall gender responsiveness in a government budget.

52. ***The gender-responsive budget process uncovers the scarcity of gender-disaggregated statistical data and information on the situation of women and men, which is a particular constraint to effective programme design and implementation.*** Regarding the gender debate in the Caribbean, a country co-ordinator of one initiative in the region noted that “officials in government are not always aware enough of the [gender] issues nor seized with the empirical data surrounding the subject to make an informed comment or contribute to the process [of addressing gender concerns]. This notwithstanding, comments abound and there is a massive debate”.

53. ***Given that the budget is a paramount, system-wide and participatory process, these initiatives provide the opportunity for the key officials in the government to get exposure to a form of easily applicable gender training.*** Gender responsive budgets provide the most practical opportunity for government officials to understand that nearly all government policies have gender impacts and that the perceived notion of ‘gender neutrality’ is very often a result of inadequate information or analysis. The Commonwealth training focuses on

individuals considered strategic in terms of their institutional role in programme and budget formulation: senior officials, policy advisers, planning officers, budget analysts and information/data managers.

54. ***These initiatives examine equal opportunities in the public service.*** The component of gender budget work that examines public sector employment, as a category of budget expenditure, is likely to reveal unequal opportunities in the public service even in countries where women have equal access to tertiary education and strong career prospects in that field.

55. ***Gender-responsive budget initiatives have the capacity to address other social concerns.*** In South Africa the research into the impact of budgets and the distribution of resources focused not only on gender, but issues of race as well. Vivienne Taylor (1999) suggests that the annual budget cycle “could include criteria to measure how the budget responds to race, gender, caste/class [youth] and other social disparities”. The process has the potential of promoting greater effectiveness and transparency in decision-making on expenditure allocations or revenue measures as it adds the practical and human dimension of ‘who will benefit’ to the questions of ‘what to do’ and ‘how to do it’.

Challenges

56. ***The need for political support.*** Although the Ministries of Finance approved the Commonwealth Secretariat’s initiatives, there has only been a moderate response from governments in terms of political commitment to the process. While Ministers Responsible for Women’s Affairs have been strong advocates, their limited capacity to address macroeconomic issues and their lack of political influence in many governments constrains their ability to mobilise the necessary support. There is a critical need for support by the Ministers of Finance and those in the sectoral ministries.

57. ***While the Ministry of Finance is best placed currently to implement these initiatives, its staff very often regard gender issues as the remit of social sector ministries.*** They also find difficulty in making the link between gender and economic policy issues. This uncertainty among finance officials is possibly the most significant factor in determining whether gender-responsive budget initiatives become a sustainable process within governments. Work towards integrating social policy issues into public expenditure training and management processes needs to be expanded.

58. ***Generally, government officials lack gender knowledge and expertise and require additional gender sensitisation and training.*** Although many countries are implementing gender-training programmes, this training is usually generic and lacking in practical application for effective knowledge transfer. The practical outcome is for officials to remain ambivalent and for junior staff to be allocated responsibility for gender related activities. This then has little impact as the latter have neither the experience nor the authority to commit resources to these initiatives. This absence of high-level commitment is compounded by the rotation of junior staff, which affects continuity.

59. ***The need to analyse revenue impacts.*** To balance the expenditure-oriented analysis of these initiatives, there is a need to examine the gender impacts of revenue-raising measures. A serious constraint to gender and revenue analysis has been a lack of data. Official statistics reflecting gender breakdowns are not readily available, and although the revenue offices collect gender-disaggregated data on individual personal income taxpayers,

data is not collected in most countries when it comes to indirect taxes. Even when data is available, there is usually no perceived need to incorporate a gender dimension into tax incidence analysis.

60. ***The need for effective programme co-ordination.*** The wide range of tasks associated with the implementation of this initiative at the country level – training, the establishment of co-ordination structures and implementation processes, research, monitoring and the sharing of information – requires a significant commitment to co-ordination. Attempts to add these responsibilities to the existing duties of a government official or group of officials, especially without a sense of priority, has not been effective. Consideration needs to be given to ensuring that country programme coordination is structured in such a way that the necessary skills, time, commitment, participatory mechanisms and decision-making responsibility are available to successfully implement the initiative.

61. ***The issue of continuity is important as the application of a gender analysis to government budgets takes time.*** Although the budget is an annual process and, therefore, results from efforts to integrate a gender analysis can be available relatively quickly, to conduct gender analyses of all ministries/departments and to implement the results of the analyses requires a longer period of time. This is usually to accommodate capacity building, competing demands on staff time and the shortage of available expertise. In South Africa, the process of conducting a gender analysis of all the portfolios took three years.

62. ***The minimal budgetary power of many lawmakers has been a limitation.*** In many countries, there is an absence of legislative responsibility to amend planned government expenditure or revenue, while in others the situation can be one in which, for political reasons, the budgets are approved without significant critical debate.

63. ***Government and civil society collaboration.*** The best condition for a sustainable initiative is a process of dialogue and complementarity between the government-led initiative and civil society activities, ensuring that a synergy occurs between the aims, expertise and capabilities of each group. This enhances the accountability, efficiency and effectiveness of initiatives. Generally, both governments and civil society agencies have reservations about working together. This is due, in many instances, to historical tensions between the two groups regarding perceived differences in goals and objects, issues of mandates and representativeness, concerns over confidentiality, or varying time-horizons. Nonetheless, experience suggests that to ensure effective implementation and sustainability of gender responsive budgets, there needs to be leadership by the government and, where possible, the involvement of civil society agencies in the design and implementation of the programme.

64. ***Identifying the role of external agencies.*** Donor institutions and development agencies function best as catalysts for initiatives, providing technical and logistical support. It is important to reiterate the primacy of local ownership of these initiatives and to highlight the importance of local control in terms of the programme's goals and objectives. In seeking to avoid a dependency on external agencies to implement the programme at the country level, the Commonwealth Secretariat has sought to engage local consultants and ensure that local capacity building and skill transfers takes place.

VIII. FUTURE PROGRAMME DIRECTIONS

65. Gender-responsive budget initiatives were conceived as a set of analytical tools, a methodological framework and implementation strategy for use by governments to incorporate a gender perspective into budgetary processes. However, for pragmatic reasons, the initiatives have focused to date primarily on the expenditure allocations. Revenue tools are required for a better understanding of the possible gender impacts of revenue-raising measures, as well as to complement work done on expenditure impacts. Notions of gender in revenue analysis have been confined largely to distributional effects of tax regimes. Direct taxes, essentially personal income tax, fall more on men because of their higher enrolment in the formal labour force, more senior positions and higher incomes. Indirect taxes, such as value-added or consumption taxes, have a greater impact on poor people, who spend a higher percentage of their income on consumer goods and thus end up paying a larger share of their income on such taxes. Indirect taxes have a greater impact on women because women are disproportionately represented among the poor and make proportionately higher contributions to household consumption budgets.

66. Support for a set of international development targets has become universal in the development community over the 1990s. Most recently governments, multilateral and bilateral agencies reaffirmed their commitment to development in the Millennium Development Goals (MDGs). Although an increase in the level of financing for development is required to make progress towards these goals, there is a debate as to how much is required. One issue is that increasing available finance needs to be considered alongside making better use of existing finance. Tracking studies in some countries have revealed that only a small fraction of the budgeted allocations actually reach their target groups, indicating great potential for achieving 'more for the money'. Consequently, additional resources would have limited benefit if only a small proportion reached its intended beneficiaries. The Commonwealth Secretariat is hoping to refine and expand the methodology and tools from its gender-responsive budgets to support expenditure tracking and beneficiary assessments of public services directed towards the MDGs. A partnership will be sought with relevant agencies to maximise comparative advantages.

IX. CONCLUSION

67. Gender-responsive budget initiatives provide a mechanism by which governments, in dialogue with civil society, donors and other partner agencies, can integrate a gender analysis into public expenditure policies and budgets. By combining social and economic policy, gender responsive budgets promote the complementarity of efficiency and equity, reducing areas of trade-off between equity and growth. They also strengthen governance processes and provide a strategy for promoting efficient and equitable economic policies as an integral component of national development.

68. Building on the experience gained from the programme in Commonwealth countries, the Commonwealth Secretariat seeks to consolidate the achievements and increase the implementation of these initiatives at the country level. It also seeks to complement work already done on public expenditure by developing measures and tools that can apply a gender analysis to taxation and revenue policies and practices within national and provincial budgets. This work needs to be undertaken in close partnership with other intergovernmental and development agencies and, at the country level, in collaboration with civil society institutions, especially women's organisations and economic and social research institutes.

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