

**DIPARTIMENTO PER LE PARI OPPORTUNITÀ**  
**COMMISSIONE NAZIONALE PER LA PARITÀ E LE PARI**  
**OPPORTUNITÀ FRA UOMO E DONNA**  
**PRESIDENZA DEL CONSIGLIO DEI MINISTRI**

**International Workshop on Gender Auditing of  
Government Budgets**

Roma, 15-16 Settembre 2000

## **INDICE**

- 1. THE EXPERIENCE OF UK WOMEN'S BUDGET GROUP**  
Susan Himmelweit  
p. 3
  
  - 2. COMMENTS ON SUSAN HIMMELWEIT'S "THE EXPERIENCE OF UK WOMEN'S BUDGET GROUP"**  
*Tindara Addabbo*  
p. 26
  
  - 3. STRENGTHENING PARLIAMENTARY GOVERNANCE THROUGH GENDER BUDGETING: THE EXPERIENCE OF THREE AFRICAN COUNTRIES**  
Winnie Byanyima  
p.31
  
  - 4. COMMENTS ON WINNIE BYANYIMA, "STRENGTHENING PARLIAMENTARY GOVERNANCE THROUGH GENDER BUDGETING: THE EXPERIENCE OF THREE AFRICAN COUNTRIES"**  
Agha Haroon Akram-Lodhi  
p. 47
  
  - 5. GENDER BUDGETS: THE AUSTRALIAN EXPERIENCE**  
Rhonda Sharp  
p. 50
  
  - 6. POLITICAL AND POLICY CONSIDERATIONS IN ALTERNATIVE BUDGETS: THE ALTERNATIVE FEDERAL BUDGET IN CANADA<sup>1</sup>**  
John Loxley  
p. 73
  
  - 7. THE EUROPEAN EXPERIENCE OF GENDER AUDITING OF NATIONAL ACTION PLANS**  
*Janneke Plantenga*  
p. 84
-

**8. BUILDING A EUROPEAN NETWORK OF WOMEN'S BUDGET GROUPS:  
COMMONWEALTH EXPERIENCE**

**Ranee Jayamaha and Guy Hewitt  
p. 108**

## **THE EXPERIENCE OF UK WOMEN'S BUDGET GROUP**

**Susan Himmelweit**

In the United Kingdom, there is no official gender auditing of budgets. However, since 1989, the Women's Budget Group has commented each year on the annual fiscal budgets produced by the UK government. The UK Women's Budget Group (WBG) is a voluntary think tank of women academics and policy experts, mostly from universities and NGOs, that focuses on the gender implications of economic policy. Although John Major, when he was Chancellor of the Exchequer, once met with members of the WBG, the group's main role until Labour won the 1997 election was to provide criticism from outside government of the likely gender effects of its policies. Since the election of the Labour government, our focus has changed and we have been attempting to influence government policy more directly through regular meetings with the Treasury.

The first section of this paper outlines some of the history of the group and the ways in which it has tried to promote more gender awareness within UK economic policy making. The following section looks at some specific features of the UK budgetary process and the ways in which these have conditioned the WBG's approach. In the third section, I shall examine the types of budgetary issues that have arisen and where we have had more or less success. Finally, I shall assess the successes and failures of the WBG, with a view to drawing out lessons for the future for both our own and similar initiatives in other countries.

## **1. HISTORY OF THE UK WOMEN'S BUDGET GROUP**

The Women's Budget Group was formed in 1989 by a number of policy experts, academics and members of various organisations coming together to comment on the annual UK budgets. Members come from trade unions, women's organisations and various pressure groups including ones concerned with environmental issues, pension rights, and children's poverty. The WBG is not affiliated to any of these organisations; so all members represent their own views.

The Conservative Government that was in power until 1997 largely ignored the WBG and its views. The WBG's main role was therefore to produce commentaries on the gender effects of the annual budgets after they were announced. In one year the WBG was invited by the BBC to be one of the groups commentating on the budget as it was announced, but this media attention was not sustained. In practice, we largely provided background briefings for opposition parties' criticisms of successive Conservative budgets.

Since the election of the Labour Government in 1999, the WBG's relationship to government has changed. It took some time after the election, some help from the Women's Unit (a sub department of government) and a particular policy issue to make the WBG visible to the Treasury. But the WBG now has regular meetings with the Treasury, both pre- and post-Budget, in which we raise policy issues we would like to see developed and are sometimes asked to comment on policies in the pipeline. For example, we will be holding two meetings with Treasury civil servants in October. The first is on closing the productivity (and pay) gap between women and men, an issue that we have raised. The second meeting is on reforms to the structure of employment and children's tax credits, an issue on which the Treasury wants to raise some questions with us. As far as we know, these meetings constitute the main plank in the Treasury's contribution to mainstreaming gender issues, which was a government manifesto commitment.

Holding such meetings is also part of a general government policy of greater consultation prior to policy formation. A large number of pressure groups, used to having a more arm's length relationship with government, have been consulted and brought into task forces on a large range of issues. Our consultations with the Treasury have also led to meetings with other departments, such as the Department of Social Security and the

Inland Revenue. The latter was clearly particularly unused to public consultation, but treated it as an interesting learning experience and proved to be somewhat responsive to the letter if not the spirit of our criticisms. They are now initiating an internal review of their consultation process to which the WBG has been asked to give evidence.

The commitment to greater consultation has meant that the government has changed the budgetary calendar. Besides producing an annual budget in March, it also produces a pre-budget consultation paper in November that outlines the main policies and changes under consideration. This has provided much more scope for outside bodies, including pressure groups such as the WBG, to comment before policies are finalised. The WBG will now therefore regularly produce a submission on the pre-budget paper, as will a whole number of organisations, including some of those, like the TUC or the Low Pay Unit, from which our members are drawn. So far this has not produced any conflict of interests. Indeed comments from the trade union movement, poverty action groups, pension groups and environmental lobbyists have tended to point in the same direction as our own, often reinforcing points that the WBG has made. However, it is of course possible that in future differences of opinion could arise.

How much influence our representations have had on policy is hard to judge. However, it may be significant that the government chose to announce one major modification of a policy we had criticised on the day that a minister was invited to speak at a WBG seminar. But it may also be significant that this modification went only part way to meeting the WBG's objections to the previous policy. However, two years later, further changes are now planned which accept the principle that we had argued for (that money meant for children should be paid to the main carer) and move further towards what we had argued for in the first place. We are obviously pleased that the WBG's criticisms appear to have eventually be taken seriously, but also aware of the danger that our advice could be used to pre-empt criticism by improving presentation alone, rather than to have any substantive impact on policy itself. This is a danger that other groups being consulted by government are also aware. A task force of pressure groups set up to advise the government on disability matter resigned *en masse* in May 1999, when the government's proposals for reform of welfare benefits for people with disabilities proved to be completely contrary to their advice.

One of the main aims of the WBG has been to persuade the government to produce a gender-impact analysis of their revenue and public expenditure statements. We used a public WBG seminar to explain why we thought such gender-auditing was

necessary, and followed it up by a organising workshop for Treasury officials in which speakers from South Africa, Canada and Norway showed what could be done. We found the day a real eye-opener in understanding Treasury policy-making processes and it also seemed to be a success in persuading the Treasury that to assess the gender effects of its policies is both important and possible. However, although in our meetings with the Treasury there has been much agreement in principle that the process of policy formation would be improved by being informed about the likely gender effects of policies, there has been little or no progress as yet in making such gender auditing a regular feature of the budgetary process.

## **2. THE UK BUDGETARY PROCESS**

The somewhat unusual budgetary process in the UK has conditioned both the range of issues on which the WBG has commented and the focus of our discussions with the Treasury. There is an annual expenditure round, in which the government spending of different departments is set for the coming year (and projected for the following three years) and this year there was the Comprehensive Spending Review (CSR), in which spending plans were laid for the next three years. However, the “Budget” in the UK means the annual statement of changes in taxes and benefits and the regulations surrounding them. Budget Day is focused on the raising of revenue and only the very broad outlines of departmental expenditure plans are announced, although government spending on transfer payments is often announced in some detail. Budget day is a big event, with a great deal of media attention; usually relatively little attention is paid to the results of the “spending round” when it is announced later in the year. This year, in which large increases in public spending were announced in the CSR, was a partial exception and more media attention was focused in spending than is customary. It remains to be seen if this public awareness of the importance of spending plans will persist.

Taxes and benefits have also been the focus of the Women’s Budget Group. Following the government’s practice, we have in the past largely concentrated on these “macroeconomic” issues and not so much on the gendered effects of specific government expenditure. I believe this puts us in a slightly unusual position

internationally among groups concerned with the gendered nature of budgets. In most other countries, the main focus seems to have been on analysing the effects of expenditure plans by gender. However, we are encouraging the Treasury themselves to make gender audits of all forms of expenditure as well as taxation and were disappointed to see no mention at all of gender in the CSR.

In some respects analysing taxes and benefits is easier; there are fewer of them and many apply to individuals and therefore direct gender effects can easily be assigned. However, attempting to influence policy on these matters may be more difficult, since small changes can have very large effects on the government's whole economic strategy. Further, matters of deeply held political principle can often be embodied in specific tax policies and in the relationship between one tax and another. There tend to be intricate balancing mechanisms involved in tax and benefit structures into which it is difficult to insert new considerations. Gender audits of particular policies therefore have to consider the full implications of any changes throughout the whole tax and benefit structure. There is also the difficulty that benefits assessed on households, direct taxes levied on individuals and indirect taxes paid on goods and services all have their effects on individuals' lives mediated through the internal processes of the households, requiring analysis at both the individual and the household level.

### **3. ISSUES RAISED: SUCCESSES AND FAILURES**

Since Labour came to power, women's and gender equality issues have had much greater currency in political circles. From the outset the government recognised gender equality as an aim, and the need for a National Childcare Strategy. More recently, it has adopted the policy of promoting family-friendly working practices in pursuit of what it calls "work-life" balance. Perhaps more significantly than any of these for women has been the stated aim of eradicating child poverty in Britain within twenty years – an ambitious aim since Britain currently has the highest proportion of children living in poverty in Europe. If this were to be achieved, inevitably women would benefit too and there has been tacit, if not always explicit, recognition that eliminating child poverty requires doing something about the poverty in which those who care for children find themselves. However, where such objectives come into conflict with other policy

objectives, such as keeping British industry competitive, women's and children's goals are often only met in part, with promises given for more action when future finances allow it. At the same time, other policies, such as tax cuts, work against women's interests relative to those of men. Because there is no process of gender auditing, neither the WBG nor the Government knows to what extent this means that women gain or lose overall.

The WBG's arguments for gender-auditing have in the past focused on the need to make visible the different effects of policies on men and women, in particular not to subsume the effects on individuals within households, in order to try to make outcomes more equitable between men and women. In other words, our focus has been on redressing inequality. We have more recently argued the need for gender-impact statements also on the basis of efficiency: that no economic policy would achieve its goals if any differential impact on men and women were not taken into account. Without understanding its gender specific impact, policy will be badly targeted and therefore ineffective or wasteful in achieving its goals - a good point we thought to make to a government that has committed itself to getting value for money in all its spending! At one level this would seem to be a retreat from arguing for gender impact statements to further gender equality, but to make the efficiency argument in practice involves a more radical approach because the boundaries of the economic policy making have to be challenged. To argue that gender matters to efficiency requires showing that men and women systemically occupy different positions within the economy, so that the differential gender impact of policy is not fortuitous but structural. This means that the underlying causes of such gender differences have to be taken into account; specifically it involves recognising the structurally gendered unpaid contributions that are made to the economy and their importance to the way the economy as a whole runs. In other words, it requires "care" to be recognised as an economic category.

In the next section, I shall discuss some of the issues that have been raised by government policy for the Women's Budget Group. These are often areas in which the WBG's specific contribution has been to point out the gender considerations of policies that are being promoted for other reasons; though in some cases, the gender dimensions of the policies, although unrecognised, are in practice crucial to their success. In each case, I shall also comment on how far our attempts to raise gender implications have met with any success. Although the context in which I shall discuss

these issues is that of specific government policies in the UK, similar policies are being implemented in other economies and the considerations behind them have wider implications still.

#### **4. GETTING RID OF “TAX AND SPEND”**

New Labour claimed to have been elected because it had shed the unelectable image of “Old Labour” as a party of tax and spends. It promised not to raise tax rates in its first term of office and clearly believes that this promise was key to its electoral success. It has therefore, in common with the previous administration, taken the view that people will not knowingly vote for higher taxes. In its first years in office it cut the basic rate of income tax rate, and introduced a new lower starting rate of tax, in order to lessen the “unemployment trap” caused by the effective rates of marginal tax paid by those giving up benefits to take employment being very high.

Against this, the Women's Budget Group has consistently argued that tax cuts, even at the lower end of the income distribution, benefit men more than women and give at least as much to higher earners as lower ones, thus exacerbating both gender and income inequalities. This is because more men pay income tax than women, men are higher earners than women and any cuts applying to the marginal rates at the bottom apply to higher earners too. A 10p bottom rate of tax brought in by this government was shown to be an extremely costly way of improving the incomes of those paying the lowest rates of tax, who are themselves not the very poorest members of the community anyway. Many women have always earned too little to pay any tax at all.

Further, government welfare spending, if properly targeted, will disproportionately help the poor and women, thus increasing income and gender equity. Recent increases in spending on health and education suggest that the government sees merit in such public expenditure, but has retained the Conservatives' dislike of “welfare spending”, that is transfer payments to those in need of financial support. Labour in opposition criticised the high level of spending that high rates of unemployment imposed on the Conservative government and promised to reduce welfare expenditure when in government. The WBG has consistently argued that, while particular measures to get people of welfare may be welcome, an attitude that such spending is bad in itself is very harmful to

women. Because of their contribution to social reproduction and the care economy, women are for good reason much more likely to need income support from the state at various times in their lives. They are also heavier users of health and education services than men are. An attitude that denigrates welfare spending and believes that tax cuts are the way to win elections is inherently a strategy that is likely to worsen women's relative position on the economy.

This is an example, perhaps the prime example, of a policy based on considerations that are inherently inimical to the Women's Budget Group's aims, even if it is not presented in that way. We have had no direct success in challenging these attitudes with respect to redistributive taxation and income transfers *per se* and do not expect to do so in the near future. However, this government has brought in policies that are broadly redistributive towards both lower paid workers and families with children. However, in both cases it has done so to fulfil a different agenda, promoting work incentives or tackling child poverty. It has not been prepared to endorse the idea of redistribution to reduce gender or other inequalities between adults as desirable in themselves. Nevertheless, despite our lack of success, we continue to seize every possible chance to point out the contradictions in government policy, which claims to promote gender equity but adopts an overall view that is inimical to it. To keep pointing this out may go some way towards changing the political climate in the long run.

## **5. RECOGNISING THE CARE ECONOMY**

In common with the policy of many Western states in the late 1990s, the current UK government is emphasising the need to reform the welfare system so that more people are in "work" and fewer are "dependent" on benefits. In this it identifies "work" entirely as paid employment and denigrates the role of the welfare state in providing an alternative form of income support to those making unpaid contributions to society through the care economy, seeing a small welfare budget as in itself sign of good government. Some of the policies designed to achieve the move from welfare to work may have good effects for women, for example the provision of help with finding and paying for childcare. However, the overall emphasis on paid work diminishes respect for women's (and men's) contributions of unpaid work in the household and the community,

by implicitly treating unpaid labour as a free resource for the economy. Such an emphasis also undervalues the unpaid care economy, which produces valuable outputs of human capabilities and creates the social framework for the economy as whole. If current policies continue without thought as to alternative ways in which care will be provided, the quality of the outputs of the care economy will diminish with serious consequences for the economy and/or some people, most probably women, will be heavily overworked.

Similar considerations of the effects on the unpaid care economy apply to policy more widely. The WBG has tried to get the Government to take more seriously the importance of unpaid work, both as a limit to what else can be required of people with caring responsibilities, and a contribution that such people make to the economy. Thought needs to be given to the distribution of time, both over an individual parent's day and over the life cycle. The government has somewhat half-heartedly attempted to do something about the UK's unusually long paid working hours by signing up to the European working-time directive, though it has allowed many exceptions to the directive's maximum of 48 hours employment per week. In other European economies there has been more recognition of this issue than in the UK with more generous parental leave policies, shorter working hours, and more gender equality of employment hours and overall working time.

Time is an important issue for gender equity, but a particularly difficult one to resolve. This is because, unlike for financial resources where faster rates of growth for women than men could eventually lead to gender equity, there is only a fixed quota of time for each individual. Further, the nature of the relationships involved in caring activities limits the scope for productivity increases. This means that women cannot gain time without men doing more. Policies to achieve gender equity with respect to time-use will undoubtedly involve creating losers, something few governments wish to do. In the workshop on gender auditing held for the Treasury, we emphasised the importance of considering such effects of budgetary policy, by suggesting the Treasury think of itself not just as the Ministry of Finance but as the Ministry of Time too.

This is an issue with which we have relatively little success so far, particularly because increasing the total working time particularly of single parents is actually key to governmental thinking at the moment, with its stress on encouraging all welfare recipients, whatever the other calls on their time, into employment. Similarly allowing businesses to improve efficiency in whatever ways they can is also key, even if those

efficiency gains result simply from an intensification of labour. In practice, the Treasury seems to be treating parental time as an inexhaustible resource. However other government departments, notably Trade and Industry, are promoting “work-life” balance and encouraging firms to adopt family-friendly policies. A review of maternity and parental leave provisions, which are among the worst in Europe, is currently under way.

However “work-life” balance issues have had little or no effect on Treasury policy so far. An appendix to the 1999 pre-budget report promised that in future time-use statistics would allow the government to assess the affects of its measures on the care economy. While this recognition is very welcome, it is somewhat inconsistent with the total disregard that has been paid to the care economy. Even if statistics were not yet available of time inputs to the care economy, common sense would suggest that the effects on it of current policy are by no means neutral.

## **6. RECOGNISING WOMEN’S CHANGING ROLES**

The last three annual budgets have been presented as budgets for women, children or the family. This sudden popularity of women and women’s concerns as a focus for budgets is not difficult to explain. In the currently relatively buoyant British economy, the participation rate of women in paid work is very high and, unlike men’s, still increasing. But because of legacies from the past this increased participation of women in the paid economy has not necessarily lead to increased gender equality in all directions and has even exacerbated problems on a number of fronts:

The welfare system is still household based, a relic of the traditional male-breadwinner/ female carer household pattern on which it was designed. It is also increasingly a safety-net system in which many benefits are means tested on household income. This has produced disincentive effects on women’s employment for poor households and reduced these women’s chances of economic independence. Recent changes to the tax structure, including employment tax credits to wage earners in low income households, have reduced the unemployment trap for first earners in households but increased it for second earners, largely women.

There is still a substantial earnings gap between men and women. Partly this is due to the large proportion of women who work part-time (the highest proportion in Europe) and the inferior conditions under which they are employed compared with full-time workers. This pattern of low paid part time female employment is a result of a lack of childcare provision combined with a history of hours and income thresholds that precluded part-timers from the employment rights enjoyed by full timers. Employment incentives that encourage parents to take part-time and/or low paid employment rather than pursue training may worsen women's long-term career prospects.

High levels of marital breakdown, single parenthood and step-families throw into question the stability of existing households. Policy therefore needs to be based on an individual life-time perspective, but the existing welfare system does not seem flexible enough to be able to adapt to this.

Households are increasingly polarised between "workless" no earner households living on benefits and those living on earnings of two or more adults. This is particularly true of households with children; many but not all of the large number of children living in poverty are in workless households. The traditional single earner household is not only rare these days; in most cases it is also likely to be poor. Women's earnings are increasingly necessary to keep most households out of poverty.

In line with its aims of reducing both welfare spending and child poverty, the government is making a big push to get "workless households" into employment. It has thus focused a number of budgetary measures (e.g. tax credits, childcare subsidies) on particular groups, many of whom are women, such as single parents and the partners of the registered unemployed, but has paid less attention to the women whose partners are employed.

In response the WBG has pointed out:

- The short-sightedness of focusing on the household as a unit. Households are no longer stable units; and with increasing job insecurity neither are the roles of individuals within them. To ignore the employment and training needs of women who currently have partners in employment and therefore currently make no demands of the welfare system is not only unfair to these women; it is also likely to lead to greater problems in the future. Many of today's "housewives" or "stay-at-home" mothers will be tomorrow's breadwinners for their households and single parents.

- There is a need to take a lifetime perspective on individual life courses. Women are often poor throughout their life times as result of the caring work they have done for others at various stages in their lives. In practice, women when they reach retirement age have frequently built up little in the way of independent pensions despite having a longer life expectancy. State pension provision is therefore particularly important for women and likely to remain so well beyond the considerable change in gender roles that would be necessary to rectify this inequality.

It is important to recognise and reward the unpaid caring work that women do. Much economic policy, particularly that which focuses on increasing the employability of women, tends to treat unpaid caring labour as an inexhaustible free good. The cost in terms of women's lives is often severe exhaustion, stress and little or no leisure time. Measures, such as improved maternity and parental leave provisions, that recognise women's unequal share of unpaid caring work, while at the same time attempting to get men to take on more, are vital if women's inferior labour market position is to be improved. Such measures are also important if any real improvements are to be made to "work-life" balance.

As part of this, the WBG has argued for the importance of seeing childcare provision as of value in itself – an investment in the future, for the benefit of children, and not just a way of enabling mothers to take employment.

Similarly for education and training, which is treated in the government's New Deals for the unemployed as a second choice outcome for those who do not find employment. This is particularly important for women who often can find low paid dead-end jobs that may provide an income, but do not provide any long term future either for the women themselves or for an economy aiming for growth through high productivity.

## **7. DISTRIBUTION WITHIN HOUSEHOLDS**

This is one of the issues on which the WBG has, throughout its existence, tried hardest to raise governmental consciousness. It has argued that money paid to women rather than men is more likely to be spent in ways that relieve household poverty.

Evidence from the 1970s when a family tax allowance, usually claimed by men, was converted into child benefit, a payment made in cash usually to women, supports the view that it matters to whom benefits are paid. Both women and children benefit when money is paid to mothers rather than fathers. And for some women child benefit is the only money received directly themselves. These two considerations provide the main argument for the WBG's longstanding and unanimous view that raising child benefit is the best way of relieving many women's poverty.

This issue also lay behind one of our main criticisms of current government strategy. New Labour's commitment to increasing the number of households that have at least one member in employment led it to raise substantially the supplement paid to poor households in employment and convert it into the Working Families Tax Credit. Unlike its less generous predecessor Family Credit, the WFTC is no longer a cash benefit, but a tax credit paid through the tax system as part of the wage packet. The main aim of this change was to make clear the full benefits of taking employment by bolstering the wage packet and making it seem as though its size depended not on welfare benefits, but on the more respectable tax system. Calling it a tax credit rather than a benefit was designed to free WFTC recipients of the stigma of welfare dependence, a stigma which the government has chosen to reinforce rather than challenge in its attempt to get more and more people into work and "off welfare". However, the introduction of the WFTC was also a switch of income from the main carer in a household, who would previously have received any wage supplement along with child benefit, to the main wage earner. Many eligible households have only a single parent; for them there is no difference between main carer and main wage earner, though they may not like their income to be made further dependent on their employers. However, in the majority of other households, the introduction of the WFTC has worsened gender inequality in financial matters by switching income from the woman to the man.

Probably as a result of the WBG's representations, a small concession was made before the WFTC was introduced to allow households to choose to whom the benefit was paid. However this does not really go very far to meeting our objections, since it is precisely in those households where male authority is not questioned or where agreement cannot be reached that it is most important for women to have access to money of their own. The government is now proposing to separate out the family and employment incentive components of the WFTC, replacing it by two new credits: an Integrated Children's Credit (ICC), which will be independent of employment status and

consolidate all means tested child related benefits, and an employment tax credit (ETC), which will be available to all low earners not just parents. The ICC will be paid to the main carer, thus meeting our objection to transferring income from “purse to wallet” but only as far as money for the children is concerned.

The experience of arguing about this has been instructive. While our objections were heard and accepted, they were not sufficient to override other considerations, despite the government’s claim to be interested in “evidence led” policy. The government held on to its belief, unsupported by any evidence, that paying a tax credit in the wage packet will induce more people to take employment than paying an equivalent benefit separately in cash to the main carer, while clear evidence from the UK and many other parts of the world of the advantages of putting money in women’s hands was ignored. Thus the stress on “work” overrode both the desire to help children and families and any gender equity considerations. Both child poverty and gender equality were government objectives, but they came lower down the list than their commitment to getting people into “work” and cutting welfare spending.

## **8. TARGETING OF BENEFITS AND THE PURPOSE OF THE WELFARE STATE**

One way to save spending on transfer payments is to target them more carefully. This is the strategy that the government has promised to adopt. Controversially, it has tried to do this in some cases by restricting eligibility criteria on non-financial grounds, for example, by restricting disability benefit to those who have had some employment in the last two years. More commonly however, targeting is done by means-testing the recipients of benefits. Economies in which all benefits are means-tested, such as Australia, can be more generous to recipients for the same overall expenditure than those, like the UK, where some universal non-means tested are retained.

To means-test all benefits however implies that their sole function is to relieve poverty, a safety-net view of the welfare state, which excludes other functions. Child Benefit is the prime universal benefit in the UK and the Women’s Budget Group has argued against means testing it in two grounds. First, child benefit should be seen not just as way of subsidising low parental incomes, but as recognition by society of its

responsibility for children and of the contribution that parents are making to society by raising children. This is true of better-off parents too, and we argued that there should be some redistribution from non-parents to parents in recognition of the contribution that they make, as well as a financial contribution from the general tax payer to the cost of raising children. Secondly, the WBG argued that the universality of child benefit is important in uniting parents across class divisions. Child benefit is popular across classes and has a nearly 100% take-up rate; its universality is important to its effectiveness in reaching the women and children who need it most.

We seem to be fighting a losing battle at the moment over the functions of the welfare state, which is the important underlying issue on this debate. The UK government is moving rapidly away from supporting a European style welfare state with a direct role to play in social reproduction. The UK never had as much of that as other European states in the past, but there were hopes that Labour would push us back in a more European direction. Instead the government has held up the US as an economic model which the UK should emulate. This is despite the much higher levels of child poverty and poorer public services to be found in the US than any equivalent European country – again an example of where some objectives, cutting unemployment or increasing productivity, figure more highly than others, such as reducing child poverty or improving public services. Indeed the UK government has proclaimed its more market-based policies as a solution for the rest of Europe too.

## **9. INDEPENDENT TAXATION OF INDIVIDUALS VERSUS A PROGRESSIVE TAXATION SYSTEM**

One of the hard fought battles that women won in the UK in the 1970s was to be taxed as individuals. Although household incomes are aggregated for assessing means tested benefits, for taxation the individual is the unit of taxation and so women and men pay tax on their own incomes at their individual marginal tax rates. This was considered a big step forward in achieving women's economic independence. However, the Working Families Tax Credit has thrown this clear distinction between the tax and the benefit system into confusion since it will require couples to declare their joint income to receive the "tax credit".

In the UK, child benefit is a universal untaxed benefit paid to all parents irrespective of income. It is an important source of income for non-earning women since it always paid to the main carer. This government has raised its level quite substantially. Although it has never been proposed that child benefit be means tested it has been suggested that it could be taxed. The WBG argued strongly against the taxation of child benefit. For most of us this was not an argument in principle against its taxation, but against treating it as a special case in which independent taxation would be violated. The government seems to have accepted our argument about the importance of independent taxation, but has managed to achieve similar results by introducing the additional ICC that will be means-tested. This will blur the distinction between the benefit and the tax system further up the income scale. We now have the situation that benefits and tax credits, which are really the same thing, depend on household income, while income taxes are levied on individuals' incomes.

The motives behind the government's actions in this case are entirely understandable. There is a real dilemma involved. Since the incomes of partners are highly correlated, independent taxation is much less progressive between households than joint taxation. This is becoming increasingly so as couples are largely either in two-earner or no-earner households, and this is particularly true of parents. However, the government was using this argument to treat child benefit as a special case, different from other income, not to end separate taxation in general (some of our members thought that this might be the thin end of the wedge of a longer term attempt to dismantle independent taxation, though the Treasury has strenuously denied this). Above all, the WBG rejected the implication of taxing child benefit that increases in child benefit should be funded by taxing better-off parents rather than by a more progressive taxation system as a whole. However, the underlying dilemma around independent taxation and the conflict between within and between household equity remain. We have had to work hard to convince the government that within household distribution really matters.

## **10. THE TREASURY'S OWN MODELS**

The Treasury seems to be limited in its ability to model the gender effects of its policies. We have identified two particular shortcomings in this respect. First, that the Treasury is unable to model the intra-household division of resources because its current models treat income as either belonging to the individual who receives it or as shared (implicitly equally) within a household. It would be an improvement to use Nash bargaining models which, despite some shortcomings, can take account of the factors that influence the relative bargaining strength of men and women within households. It would be instructive, for example, to use such bargaining models to take account not only of the effects of women's earnings on total household income, but also of the bargaining power that earning it herself gives a woman in determining how that income is spent on herself, her partner and her children.

Secondly, the household equivalence scales that the Treasury uses only take account of the consumption costs of children, and that in a rather eccentric way. But in a developed economy like the UK, childcare costs and the cost of earnings foregone by parents are a much more significant aspect of the costs of children. We would like to see equivalence scales constructed and used that take account of the cost of caring for children too. Doing so would also require constructing equivalence scales that vary with household income, but this should be the case anyway because the effects of an extra child on a household's cost of living are disproportionately larger for poorer households.

## **11. LESSONS FOR THE FUTURE**

It is hard to tell how much success the Women's Budget Group has had overall. On the one hand there is the suspicion, which the WBG shares with other consulted groups, that the aim of consultation may be as much to pre-empt criticism of already decided policy as to help modify it. Our suspicions that fending off criticisms might be at least a partial aim of consultation were reinforced by the discovery, at the gender auditing workshop, that Treasury officials were used to brainstorming exercises to work out the effects of budgetary policy on different groups. It appeared that the main purpose of doing this was to prepare for criticism of unintended effects rather than to modify policy to avoid them.

On the other hand consultation has its own momentum. It is harder to ignore advice that has been asked for. And having put gender issues on the agenda, they cannot easily be taken off again. We are reasonably confident that the government has now put itself on a track from which it would be difficult to climb down.

Further the WBG does appear to have had some successes. We seem to have succeeded in demonstrating why thinking through the gender implications of budgetary changes would be helpful to the Treasury in order to make them carry out their own policies more efficiently. Having accepted that efficiency argument, an overall commitment to gender equity by the Treasury means that questions about the efficiency of policy in promoting gender equality are immediately posed, even if they are not always resolved in the direction we would like.

However, although the Treasury may accept the argument for gender awareness in policy formation we have not been successful in convincing it of the need to publish a regular gender audit of its budget, nor to encourage any other ministry to do so for its own expenditure. Although cost has been given as the main argument against doing so, we believe that a more telling explanation is that governments rarely admit to weaknesses unless forced to do so. A gender audit of revenue and expenditure published on a regular basis will not always make the government look good. Of course, that is one reason why we are pressing for the government to publish a gender audit; because the need for it to demonstrate that its policies were fair in gender terms would then will force any government take gender considerations into account in policy development. However, we do not currently have the political support outside the WBG to pressurise the government into feeling the need to do so in such a public way.

Nevertheless, the future policy climate looks reasonably good for the WBG. Although we cannot claim credit for it ourselves, the commitment by the government to work towards ending the shockingly high level of child poverty in the UK is very welcome. If we are part of the consultation process on this, the WBG will have the opportunity to make clear how any policy to improve children's well being would have to be closely bound up with raising the economic position of women. We realise that there are dangers in portraying the economic status of women as too closely connected to the interests of children. However in the present climate, in which the government is putting such stress on paid work, we think that recognition of the importance of the reproductive contribution to the economy that women make can only be of benefit.

The WBG has taken a particular organisational form. We are a non-governmental, voluntary organisation. However our main focus, at least over the past year and a half, has been on working through government. For this to work certain conditions have been helpful, perhaps necessary:

A group of policy experts has been available and interested in the gender dimensions of their area of expertise. Some of these experts have been members of the WBG; others have not been members of the group, but have been willing to be consulted on particular issues. We have found the general level of good will and support for the WBG within the academic and think tank community very heartening.

We have had a government, or previously an opposition, at least formally sympathetic to gender equality. If neither main party had been interested in gender equality, different tactics would have had to be used. It may only be necessary that leading parties feel a need to show an interest in gender issues; that may be enough to build on. Alternatively, parties that do not have any specific commitment to gender equality but are concerned about issues to do with women's poverty or the welfare of children may be induced to take advice from groups like the Women's Budget Group.

Other groups have been pushing policy in the same direction. This may not have been a necessary condition, but it has certainly helped, particularly when those groups, such as the confederation of small businesses, are not pressure groups normally associated with pushing for women's issues.

The specific form that the Women's Budget Group has taken has given us certain less desirable characteristics too:

- *Vulnerability*

Having the government as our main focus makes us very vulnerable. Our influence has depended crucially on which government is in power. We have no illusions that if the government changed, a new government would do anything more than go through the motions of consulting us. We might well have to switch to completely different tactics with a different government in power.

- *We have limited resources*

Currently we have very limited funding, which should allow us to employ a part-time worker in the near future. However, the demands made on our time seem endless. We have been asked to respond to numerous government documents, do

not always manage to do so and pro-active work tends to get side-lined. We are unlikely ever to have access to the resources that would enable us to commission research of our own, for example on alternative budgets or to improve the Treasury models. But much research is needed, so we are reliant on persuading the Treasury itself to carry it out, and they too argue that they have no funds for this purpose. However, unlike for us, for the Treasury the resource issue is in reality simply one of political will.

- *There is no constituency for gender awareness in budgeting*

Related to our lack of resources is a shortage of time, and we have not put enough time into fostering a public movement to demand that the government be more open about the gender implications of its policies. Though the policy issues we have argued for have been debated in the media, we ourselves have not been sufficiently active in those debates. Secondly, *we have no public presence*. Nobody has heard of us; we have not put any time into publicising ourselves. This means that if the government suddenly decided to stop consulting with us, there is not likely to be any serious outcry and our efforts could sink without a trace. Finally, *we are not accountable to anyone beyond ourselves*. Our ideas are not tested through popular debate, nor do we as individuals represent anyone other than ourselves, although we come from a variety of organisations. To that extent we are simply self-appointed experts. This also means that we are very reliant on the particular expertise of active participants in the group. We are lucky to have had quite a wide range of expertise among our members, including in some quite technical areas, but it is always possible that we are missing the implications of budgetary policies for women in areas in which we do not have sufficient expertise.

- *We are side players in another debate*

For reasons outlined above, the government is more receptive to considering some aspects of gender equality than others. This is because some dimensions work in tandem with its neo-liberal push towards market-based work for all and some do not. In that sense our success and failures may be due to the extent to which our representations are consistent with or contradictory to the government's purposes elsewhere. We realise that we are not the main players in current policy debates. One of our aims is to shift the terms of debate so that the gender issues that in reality

lie behind many of these policies become more central to the public debates about them.

- *We have not made sufficient use of potential allies*

Ultimately our success will have to depend on political pressure convincing the government that women's interests matter. To get to that point we will need support from others. We have a number of potential allies but they all have other agendas of their own. Some of these potential allies are:

- Treasury civil servants – if politicians think women matter, civil servants can advance their careers by developing an expertise in this area.

- Treasury ministers – some of the junior treasury ministers are women and seem to have a genuine interest in gender issues. However the Chancellor of Exchequer himself has been described a relatively “blookish”.

- Women's ministers - we have received some excellent support and advice from the Women's Unit. However women's ministers are politicians and being Minister for Women is unlikely to be the height of their ambition. They will therefore tend to be somewhat selective in the women's issues they support, tending to favour those that go along the grain of existing government policy rather than those which potentially contradict it.

- Women Members of Parliament (MPs) – again we have been able to develop a good relationship with some women MPs, who are keen take up some of our concerns. However increasingly being a MP is seen as a stepping stone to government office and there are careers to be made here too.

- Other women's pressure groups – we have developed quite a close relationship with some other women's groups, notably the Fawcett society, a leading feminist centre-left campaigning organisation. We need to develop more joint initiatives with other groups especially those supporting women at work, child care organisations and as carers networks.

- Women more generally - ultimately the response we get from politicians (and consequently civil servants) depends on the electoral gain they consider the issues we raise to have. Our success therefore depends on making gender budgeting into an issue women more generally are prepared to show they care about. It is on this front that the WBG has been most lacking, although ultimately it is the most important alliance to build.

## COMMENTS ON SUSAN HIMMELWEIT'S "THE EXPERIENCE OF UK WOMEN'S BUDGET GROUP"

Tindara Addabbo

Susan Himmelweit's interesting paper gives the opportunity to know the Women's budget group (thereafter WBG) activities and to see how gender auditing can change public policies and/or make people aware of the public policies implications. Her paper is dense of stimulating points. Among them:

- *Why gender auditing?*

Susan Himmelweit explains well the advantages of using gender auditing, both for equity considerations (by neglecting the gender impact of public policies one can increase inequality), and for efficiency reasons (no economic policy would achieve its goals if any differential impact on men and women were not taken into account). Without understanding its gender specific impact, policy will be badly targeted and therefore ineffective or wasteful in achieving its goals.

- *WBG activities*

- ✓ Its role changed from a role of criticism during John Major's government to the current role with the Labour government (with a more direct influence on government policy through regular meetings with the Treasury).
- ✓ Its heterogeneous composition: 'trade unions, women's organisations and various pressure groups including ones concerned with environmental issues, pension rights, and children's poverty.' This can help to know any different side of the same problem, even if it may be difficult sometimes to talk, given the different languages and experiences of the group members.
- ✓ Its independence

It would be interesting to know what are the links of WBG with respect to research centres or universities, and what is the impact of the need stressed by WBG of

gender auditing on the training of national and local civil servants as well as of researchers. It should be stressed the need of including gender auditing in universities courses and improve also the link with public and local institutions on this regard.

- *Problems:*
- ✓ 'Danger that our advice could be used to pre-empt criticism by improving presentation alone, rather than to have any substantive impact on policy itself. This is a danger that other groups being consulted by government are also aware.' (Himmelweit, p.4)
- ✓ Difficulties in making the labour government accepting the view that by cutting taxes and reducing welfare spending one will increase gender inequity.
- ✓ Difficulties in affecting the treasury policies on time: 'the Treasury seems to be treating parental time as an inexhaustible resource. However other government departments, notably Trade and Industry, are promoting "work-life" balance and encouraging firms to adopt family-friendly policies.' (Himmelweit, p.12) (A better parental leave law has recently been introduced in Italy, however there is the suspect that a growing number of employed women in *non-standard* positions could really benefit from it, and one should tackle the wage differential issue to make sure that fathers would ask parental leave rather than only mothers).
- ✓ Visibility of WBG activities (problems with media and information).

My comments will focus on the following topics:

- The research shows how *information* and *uncertainty* pervade women's choices. There is a scope of action in informing women about the long-run effect of their current employment decisions. Also in Italy there is a growing use of means testing to have access to public services and this is likely to produce the 'disincentive effects on women's employment for poor households and reduced these women's chances of economic independence. Recent changes to the tax structure, including employment tax credits to wage earners in low income households, have reduced the unemployment trap for first earners in households but increased it for second earners, largely women.' (Himmelweit, p. 13-14).

It is necessary to recognise that most European countries are increasingly using means testing for access to public services by using equivalence scales, whose effect can discourage women's labour supply or discount too much as the family size increases, without taking into account that the opportunity sets of childcare services change with family income (and, in addition to Himmelweit's point, with parents' employment status).

For example, non-standard workers in Italy are or have been treated - in most of the municipalities in the access to public services - as self-employed and therefore either excluded from the service or admitted to the service at very high tariffs. This discriminates women collaborators and also increases the costs of having children for this type of workers (see Addabbo and Borghi, 2000 on this regard).

In order to carry on a sensitivity analysis on different equivalence scales one needs better data including information on unpaid work<sup>2</sup> and on care providers (as well as on their costs) not only for young children but also for elderly requiring care.

- ✓ Importance of extending gender auditing to all forms of *expenditure and taxation plans*.
- ✓ As Susan Himmelweit stresses, policy should be based on an *individual life-time perspective*; one should open the household black-box, simulate the change in individual decision making and analyse it in a dynamic setting.<sup>3</sup>
- ✓ *Impact of public policies with regards to non-standard workers*. As far as women working under a non-standard contract (like co-ordinated and continuous collaboration) a recent research (Addabbo and Borghi, 2000) shows that in Modena 29% of women under a collaboration contract feel that their type of contract constraints their fertility plans and 40% feel that they could not re-enter their work after childbirth. A government, which states to care for the family, should use proper policies to reduce these constraints and the feeling to be out

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<sup>2</sup> One should notice that art.16 of the law on parental leave (recently introduced in Italy) states that the Italian National statistic institute (ISTAT) must carry out time-budget surveys any five years (the last available ISTAT time budget survey has been conducted in 1989).

<sup>3</sup> This also calls for better data to be collected on a longitudinal basis.

of the labour market if pregnant. This is particularly important as non-standard employment is expanding and in some cases is not as transitory as one would like to be. Non-standard work may last for a long part of the life cycle and one should stress that sustainability in terms of standard of living is ensured by co-residence and by delaying costs (by delaying new family formation and fertility or by delaying consumption).

- ✓ *Unpaid work implications:* Himmelweit stresses the importance of women's unpaid work contribution to welfare. On this regard it is necessary to stress that:
  - The distribution of unpaid work in Italy shows a higher work load for women with respect to men. Total work share of women with respect to men in Italy is closer to what is found in non-industrialized countries<sup>4</sup> and even in regions where childcare services are well developed the total working load of women is exceedingly higher than the one of their partners.<sup>5</sup>
  - Low income family are sustained by women's work (this is stressed by Himmelweit for the UK and has been found for Italy by Addabbo and Baldini, 2000). Women's unpaid work is higher in these families and it is crucial to sustain household's welfare. This may induce a discouragement effect of women's labour market employment of workfare policies (see Addabbo and Baldini, 2000).

This calls for government policies to make the time distribution by gender more equal, but also to include unpaid work and extended income in evaluating the impact of public policies. If one does not consider unpaid work one may ignore the disincentive effects of workfare policies (like minimum insertion income currently under an experimental phase in Italy) on women's labour supply and increase their social exclusion (an effect which could reduce the efficiency of the policy since it is even in contrast with the stated aims of the policy itself).

- ✓ Himmelweit tackles the problems of financing research on gender auditing. This problem is also present in the Italian context. On the one hand the government should carry out a research programme of its own, but on the other hand it is necessary that an independent unit of research would comment on it and carry on research activities on its own. In addition, there are problems of relationship

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<sup>4</sup> See Goldschmidt-Clermont and Pagnossin-Aligisakis, 1995.

with potential allies (other research centre? Academic research? European network?).

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<sup>5</sup> For the implications of this unequal distribution see Addis, 1999 and Picchio, 1999.

# **STRENGTHENING PARLIAMENTARY GOVERNANCE THROUGH GENDER BUDGETING: THE EXPERIENCE OF THREE AFRICAN COUNTRIES**

**Winnie Byanyima**

## **1. INTRODUCTION**

### *WHAT IS GENDER BUDGETING?*

Gender budgeting is a method of examining a government budget to determine how it impacts on women and men, girls and boys of different social and economic (and racial) groups. It is a tool to enable gender analysis of budgets. Since a budget reflects a government's macro-economic policy priorities, gender budgeting can also be used as a tool for gender analysing macro-economic policy. In fact, gender budget initiatives have an objective of challenging the assumption that macro-economic policies are gender-neutral by analysing and exposing their gendered impacts.

### *HISTORY AND BACKGROUND*

Australia was the first country to pioneer in the field of gender budgeting, when after the 1985 Third UN World Conference on Women in Nairobi, it introduced the Women's Budget Statement as a budget-related paper. The Statement would comment on the expected impacts of each sector budget on women and men and girls and boys. Since then, the technique of gender budgeting has spread to more than 20 countries. In Africa, South Africa has pioneered gender budgeting soon after the 1995 Fourth UN World Conference on Women in Beijing. Currently at least ten African countries (Eastern and Southern Africa) are experimenting with the concept. This paper will focus on the experiences of South Africa, Tanzania and Uganda only. However, it needs to be emphasised that different approaches are being used in the different countries and

through networking a rich exchange between researchers, activists, legislators and policy-makers is happening.<sup>6</sup>

In Africa, gender budgeting initiatives have to be seen in the context of political and economic liberalisation. In the late 80s and early 90s, many African countries adopted liberal democratic systems of governance. In most countries, democracy has come with the expectation of participation. The Constitution of Uganda for example defines the movement political system as follows:

*The movement political system is broad based, inclusive and non-partisan and shall conform to the following principles:*

*(a) Participatory democracy; [...]*

Gender budget initiatives are a reflection of the transition to more open, participatory and responsive systems of governance. There is increasing interest in giving the poor and excluded a political voice, and influencing allocation of public resources in favour of them. Democracy has come with not only the expectation of participation and inclusion but also of freedom from poverty.

Budget processes have been very closed and exclusive, dominated by a few officials in ministries of finance and presidents offices. While African parliaments are asserting their 'power of the purse' and finding ways to have a greater role in determining budget priorities, civil society organizations are organizing to influence parliamentary debates on budgets. They are calling for more open, transparent and participatory budget processes, and for redistribution of resources in favour of the poor.

By the end of the 80s, a large number of African countries were implementing structural adjustment and macro-economic stabilisation programmes on the advice of the World Bank and the IMF. These policies include public sector reforms intended to reduce the role of the state in the economy, such as privatisation and de-regulation; private sector development and reducing budget deficits by cutting public expenditures including health care and education. It became increasingly clear that while these policies generated growth, they produced adverse effects on the very poor. The cost of reproducing and maintaining the labour force was being transferred from the public

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<sup>6</sup> One example of this exchange is the 1998 UNIFEM workshop on "Engendering Budgets in Southern Africa" which took place in Harare, Zimbabwe. South African gender budget experts have been invited to Uganda, Tanzania, Malawi and Mozambique to introduce the concept.

sector to women at the household level. Researchers and activists have used the technique of gender budgeting to expose the gendered nature of the economy and economic decision-making and to advocate for a more equitable share of the gains of economic reforms.

Gender budget initiatives, which have increased since the 4<sup>th</sup> UN World Conference on Women, are a part of budget advocacy. They bring attention to the issue of gender equity in the allocation of resources before legislators and other budget decision-makers.

## 2. METHODOLOGY

Governments frame their political agendas into policies, which are translated into decisions on what to spend on and what to tax through budgets. Gender budget initiatives analyse the extent to which budgets reflect the policy priorities of governments, and the extent to which policies reflect the different situation of women and men, girls and boys in society. Income, age, race and disability result in different impacts on men and women. Therefore analyses do not consider all women or all girls as homogeneous groups. In the South African initiative, race is an important category of analysis while in Uganda disability is given special attention. For each sector, the gender analysis begins with a description of the different situation of women and men, girls and boys. After that, the sectoral policy is described and the extent to which it addresses the situation assessed. In most cases this part of the analysis is fairly easy because there exists strong expertise in gender analysis of policies.

However, the innovative work concerns the budget itself. For each sector, the question is posed *“to what extent does the budget reflect the gender-sensitive policies identified and to what extent does it address the gender gaps and issues described in the sector situation?”*

Gender budgets propose resource re-allocations to address poor women and girls unmet needs and to close gender gaps. Areas where budget cuts can be made are also proposed. Although gender budgets tend to concentrate on expenditures, the South African and, more recently, the Ugandan initiatives include a gender analysis of taxation.

In South Africa, Tanzania and Uganda, expenditures are classified in three categories, using a framework by Rhonda Sharp, an Australian economist.

- (i) *Gender-specific expenditures*: these include all amounts of money allocated for activities, which target a specific gender. Such funds are easy to identify. In Uganda, funds for building pit latrines for schoolgirls or the special micro-credit reserved for women are two examples of gender-specific expenditure. Expenditures on staff and activities of national gender machineries also fall in this category.
- (ii) *Expenditures to achieve equity in the public service*: These include all allocations to programmes which are intended to promote equal representation of men and women employed in the public service especially in decision-making positions, equal pay and conditions of service. For example, allocations to a special training programme for women managers in a ministry.
- (iii) *And all other mainstream expenditure*: This category includes all other expenditures not included in the two categories above. It consists of the bulk of funds in the budget. In Uganda, as in Australia, this is about 99% of the total budget. The challenge of gender budgeting therefore is to analyse allocations in this category.

Gender budgeting exercises are not academic. They have the objective of influencing budget decision-making. Research is conducted and the findings are used to advocate for gender equity in budget allocations. To engage in effective advocacy, the gender budget cycle has to be planned in such a way that the research is completed and findings released at the most appropriate time in the budget cycle. In South Africa and Uganda, gender budget advocates target the Budget Day as the day to launch their research. In Tanzania too, advocacy activities are planned and implemented in June and July. The Financial year ends on June 30<sup>th</sup>. In all the three countries, activities involving relevant committees of parliament are held in order to share information with parliamentarians and to influence debate on the budget. In Tanzania, special information packages for Parliamentarians have been developed and distributed while in Uganda summaries of the sectoral reports are published as *Issue Briefs* and circulated to all MPs. The reports are also made available to other budget decision-makers in the executive branch of government.

### **3. THEORETICAL FRAMEWORK**

The basis of gender budgeting is gender analysis where gender is understood to mean the social constructions that differentiate between women and men resulting in different and unequal roles, responsibilities and rewards. Gender budgets challenge the assumption that budgets and macro-economic policies, of which they are a part of, are gender-neutral. Gender budget researchers and advocates argue that public resources should be allocated in a way that recognises the different roles that women and men play in the economy as well as the different needs and constraints they have. They highlight the importance of the 'care economy'<sup>7</sup>, which is dominated by women's unpaid work, to the overall economy.

Gender budgets argue that women and men play important roles in the economy but are not equally distributed across the sectors nor equally remunerated for their labour. For example, in sub-Saharan Africa, 90% of all food processing, and water and fuelwood collection, is done by women. Women contribute 80% of food storage and transportation from farms, 90% of hoeing and weeding and 60% of harvesting and marketing. While women dominate in agriculture, men dominate in industry and services.

Women's unpaid domestic and reproductive work keeps the social framework in good repair and maintains and reproduces the labour force. The artificial separation of public (market and government) and private (mostly household and community) work cheats women of the rewards for their labour and results in a misallocation of budget resources. So gender budgets try to highlight the very definite but different contributions women and men make to the economy and call for a more equitable sharing of the benefits from the budget.

By exposing the linkages and trade-offs between the household and market economy, gender budget initiative call for creative ways of recognising, counting and rewarding women's unpaid labour.

#### **4. THREE GENDER BUDGET EXPERIENCES**

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<sup>7</sup> Some feminist economists have argued that women's domestic and childrearing work should be regarded as a tax they must pay before engaging in economic activity (Budlender, D. (ed.) 1996

## *THE SOUTH AFRICAN WOMEN'S BUDGET INITIATIVE*

The budget processes of South Africa, Tanzania and Uganda are quite similar and are based on the British model. The first stage of budget formulation is an executive function. The South African legislature and civil society have limited or no access to the inter-sectoral and government/donor negotiations, which take place at this critical stage. The Ministry of Finance sends out guidelines on sectoral allocations based on different rates of growth in overall spending. The sectors develop draft budgets for different options, showing implications for specific programmes. The Finance Ministry later on sends out a more or less final guideline of estimates of expenditure and the sectors submit their final detailed budgets. The Budget Council, which consists of provincial and national ministers of Finance, makes recommendations to Cabinet. The Cabinet takes a final decision on the sectors and the budget is then released to parliament on Budget Day. The Parliament reviews and approves the budget, which is spent by the sectors according to the treasury rules. Parliament has no powers to amend a budget. Parliamentarians have been seeking to increase their power to alter the size of allocations to sectors or to re-allocate resources within sectors.

The South African budget process, just like the Tanzanian and Ugandan processes, is male-dominated and gender issues are not yet part of the discussions. In the Budget Council, discussions are almost exclusively about fiscal issues rather than how the budget can solve the problems of different categories of people.

After several years of preparation, the government introduced the Medium Term Expenditure Framework (MTEF), which is based on three-year rolling budgets. The purpose of the MTEF is to ensure those policy choices and priorities of government drive expenditure. The MTEF could offer parliamentarians and civil society more opportunity for commenting on the budget. A Budget Reform White paper promises to increase accountability and transparency of the budget process. However, women MPs still feel alienated by the male-dominated culture in Parliament and feel that parliament places the whole burden for achieving gender equality on their shoulders.

The Women's Budget Initiative started in 1995 soon after the first democratic elections of 1994. As a result of an African National Congress (ANC) quota for women on their party list, the number of women MPs rose from 3% to 27%. The women MPs initiated the integration of gender into the work of the Joint Standing Committee on

Finance and through that process created networks and alliances with gender-sensitive and women in Parliament, cabinet, the civil service and civil society. The WBI was started by Community Agency for Social Enquiry (CASE), the Institute for Democracy in South Africa (IDASA) and women parliamentarians. They hired researchers to analyse the budgets of six sectors to begin with. The NGOs and MPs participate in the advocacy activities and also provide information to the researchers. One of the main aims of the WBI is to empower parliamentarians and civil society to debate budgets from a gender perspective and influence resource allocations.

So far, the WBI has published three books covering all the sectors and a fourth one on local government proving that there are gender issues in each and every sector. Two years after the WBI was started, the South African government started a parallel process of gender analysing its budget. The Ministry of Finance leads this process in government. Women organisations in other African countries have been inspired by the South African WBI and have benefited from training workshops by the South African researchers and activists.

#### *THE TANZANIAN GENDER BUDGET INITIATIVE*

Every year the planning commission of Tanzania gives budget guidelines to all ministries, departments and regions. The guidelines direct ministries and regions about how much money they will get in the next year and which goods and services government considers as priorities. Each ministry or region then prepares its budget and plans which are scrutinised by the inter-ministerial technical committee composed of all permanent secretaries (accounting officers of ministries). The cabinet then receives and discusses the recommendations of the inter-ministerial technical committee and finalises the estimates, which are then released to parliament. In parliament, the Finance and Economic committee holds meetings with government officials, studies the estimates and makes a report to the whole parliament, which is debated. Parliament approves the budget estimates. The budget process in Tanzania is still a mystery to most people and parliamentarians have little influence on it. Some reforms are taking place to make it more transparent and inclusive including the establishment of an MTEF as in South Africa.

The Gender Budget Initiative (GBI) was started in 1997 and is led by the Tanzania Gender Network Programme (TGNP), a non-governmental organisation. The aim of the initiative is to influence the national budget and its budgetary process to adopt gender interpretations so as to reach and benefit both genders on a more equal basis. The GBI has the objective of influencing the public; decision-makers, lawmakers, and technocrats on the necessity to increase resources budgeted for sectors where women and other marginalized groups in society are most affected.

In the first year, the initiative covered the education and health sectors. The following year agriculture was analysed as well. Trade and industry and finance were analysed last year. Activities included development of research tools, data collection, tracing the planning and budgetary processes in the relevant sectors, capacity building sessions with government planners and other budget decision-makers, organising advocacy activities such as television and radio broadcasts, and meetings with MPs. These activities are planned around the national budget cycle in such a way that findings of the research are shared when the budget is being debated in Parliament.

The GBI has been able to expose some of the gender gaps in the entire budgeting process, starting from the design of guidelines, to the identification of priorities and defining of ceilings. The gender gaps include low representation of women in budget decision-making and lack of gender analysis skills. Low prioritisation of the social sector and Corruption were also exposed. Analysis of the agriculture sector revealed that production patterns are based on a rigid division of labour, which assigns women more responsibilities in food production and in the reproduction of labour. Yet, the existing patterns of land ownership constrain women's rights to control land and the products of their labour. Considering that agriculture contributes over 50% of GDP, the government invests relatively little in the sector. Extracting from the sector without investing in it hurts the producers who are mostly women.

Some of the key findings of the Tanzanian GBI have provided powerful arguments for legislators to demand for reprioritisation thereby deepening the debate on the budget. Below is a list of some of them;

#### Key findings of the GBI 1998/1999

1. The planning commission has 72 staff of whom 11 are women (1998);

2. Only 2 of the 20 permanent secretaries who form the inter-ministerial technical committee are women (1998);
3. None of the six members of the committee for plan and budget guidelines is a woman;
4. In 1994/5 90% of recurrent expenditure and 70% of development expenditure was for curative services, yet government's stated health policy is that primary health care and prevention are the top priorities;
5. Three in every one hundred shillings spent in hospital pays for travel overseas for health care. These are mostly government officials and their families not peasant women and men;
6. Two thirds of the budget at health centres goes to salaries and one quarter to medicines;
7. Nearly 90% of the recurrent budget for education sector paid personal emoluments for teachers;
8. Each year the Ministry of Science and Technology and Higher Education spends USD 5.1million for students abroad at an average of USD 5200 per student. Locally the cost is about USD 2200.

As in the case of South Africa, the GBI in Tanzania has brought about government awareness of the importance of gender-analysis of budgets. The Ministry of Finance has provided guidelines for mainstreaming gender in the 1998/9 budget. The budget technocrats have expressed a need for gender mainstreaming tools and the TGNP is developing them. Gender focal points have been established in all ministries and steps are being taken to transform the budgetary process into a more gender-sensitive and inclusive process. The TGNP has published the GBI findings in a publication called *"Budgeting with a gender Focus"*.

#### *THE UGANDAN GENDER BUDGET PROJECT*

During the last three years, the budget process in Uganda has been undergoing a lot of changes to become more inclusive and transparent. The Ministry of Finance issues the Budget Framework circular to all ministries setting out the expenditure strategy for each sector and providing indicative ceilings for non-wage recurrent spending. This is done at a budget framework workshop. Sector working groups (SWGs), which include civil society representatives, identify their sector mission and

objectives; they set priorities and allocate funds to obtain achievable outcomes. The SWGs then go on a retreat and receive technical support to enable them to design activities with monitorable outcomes and measurable performance indicators. At the next stage, local government budget framework papers are integrated.

In December, the Cabinet analyses the medium-term resource and expenditure framework and sets out a three-year sectoral budget ceiling and strategy. In January, the Budget Call Circular is issued to ministries informing them of the ministerial ceilings and the timetable and guidelines for budget preparation. The budget should be prepared within two to three months time and during this period a consultative meeting with donors is held at which all aspects of the budget are discussed.

Although a consultation with Parliament had been planned for this year, it did not take place. However, Parliament is considering a Budget Bill, which will increase its role in the process. Other stakeholders who are consulted include the industrialists and some economic policy research institutions. Several advocacy NGOs are now involved in planning meetings throughout the budget cycle.

The draft expenditure estimates and policy recommendations, which have to be agreed with the World Bank and International Monetary Fund, are presented to cabinet for approval, after which they are presented to Parliament for debate and approval. Sessional committees handle their sectoral policy statements and budgets and report to the whole House. They are able to receive testimonies and petitions from the public and to interview ministry officials. After parliament has approved the budget, its implementation is regulated by financial rules and the Auditor-general audits all funds spent from the Consolidated Fund.

The Forum for Women in Democracy (FOWODE), a women's rights advocacy non-governmental organisation, has been implementing a gender budget project in collaboration with some MPs from the special interest groups caucus. This is an alliance of MPs who represent women, youth, workers and people with disabilities elected to parliament by special electoral colleges. FOWODE's gender budget project (GBP) is in its third year. The aim of the project is to advocate for gender-balanced budgets that address the needs of poor women and men, girls and boys equitably and give full attention to people with disabilities and other disadvantaged groups. The project has covered three sectors; education, health and agriculture and some of the findings published in summary form as issue briefs, have been reflected in parliamentary reports on the budget. The project is a partnership between gender researchers from Makerere

University, parliamentarians, journalists, gender activists from civil society organisations and government planners from the three sectors, as well as the Ministries of Finance and Economic Planning, and Gender, Labour and Social Development. This partnership, co-ordinated by FOWODE has been important for the success of the project.

Members of parliament have led the advocacy activities and ensured that the research findings are discussed in their committees or in the whole House. They have appreciated the facts and figures contained in the Issue Briefs and used the information in their contributions in parliament. Whereas in the past gender issues were only discussed as sentimental issues and were easily dismissed, the GBP findings have given credibility and respect to the subject. Male MPs who have joined the project say that the project helps them to speak up for their women constituents.

The project has resulted in a new relationship between the government officials and civil society representatives. Initially, the government officials questioned the right of activists to access and critique government policy. Within a couple of months of working together, the project stakeholders had formed new attitudes and were convinced of the value of working together.

The researchers who were selected because of their expertise in their sectors, have been able to access government documents through the assistance of the government planners who are referred to as reference people. The reference people also provide insights and comments on the sectoral analyses. In the process, they have also increased their gender-awareness and gender analysis skills. Journalists participating in the project have also increased their understanding of how parliament functions and their knowledge of gender issues.

For a country with a long tradition of official secrecy, breaking the barriers between state and non-state actors to enable sharing of information and skills has been a major achievement. For the first time ever, the Minister of Finance mentioned a gender issue - girls' education - in his budget speech. The GBP has brought legitimacy to gender issues in the budget and a discourse about gender equity in the budget has emerged.

## **5. STRENGTHENING THE REPRESENTATIONAL FUNCTIONS OF PARLIAMENTS**

The legislatures of the three countries of South Africa, Tanzania and Uganda have over 18% representation of women. In the case of Uganda and Tanzania special quota seats were created to achieve some gender balance in the parliament. For South Africa, an ANC rule guaranteeing a percentage of women candidates brought the numbers to almost one third in the parliament. The Uganda parliament also has special seats reserved for youth, workers and people with disability. The principle behind these provisions is that a Parliament should reflect its constituents as much as possible. To be an effective representative of a group, it is believed that one should share values, perspectives and interests as much as possible with that group. However representative one is, without the ability to articulate the views and issues of those represented and to deliver to them, one cannot be an effective representative.

Women as a special category represented in a legislature present a special challenge of representation. Articulating issues of gender inequality, oppression and discrimination and obtaining results on them in a legislature where the majority are men requires a different set of skills from the usual ones. Gender budgeting is a tool, which can be used to expose gender inequalities and biases in the distribution of public resources. It can be used to move the debate on gender issues away from mere sentimental or moral exhortations to concrete demands supported by economic arguments. Female and male legislators can use the research findings of gender budget initiatives to highlight the invisible and unpaid contributions of women to the economy. They can use the information to expose the trade-offs between production and human capabilities which poor, resource-constrained women and their daughters often have to make, costing the economy much needed revenue. Gender budget findings can be used to show in real figures what a whole nation could gain economically if the budget were to reduce the burden of water and fuelwood collection on women and so on. Gender budgeting can therefore enhance the representational role of legislators.

## **6. STRENGTHENING PARLIAMENTS OVERSIGHT FUNCTION**

In the earlier stages of gender budgeting, analyses tend to focus on the budget estimates only up to the stage of parliamentary approval. However, as the technique is mastered then the analysis follows the whole cycle of a budget, i.e., up to the stages of budget implementation and budget auditing. When analysing these two stages, gender

budgeting contributes considerably toward strengthening the oversight function of legislatures.

Beneficiary assessments, for example, can be used to find out from citizens themselves whether or not public funds are being used to solve their problems. Opinion polls, interviews or attitude surveys can be used to ask general questions about the use of public funds.

Revenue incidence analysis can be used to assess how different categories of people are affected by a particular tax. This kind of exercise is important in assessing whom in terms of gender or income is bearing the larger burden of taxation and what the consequences of taxation can be for different groups of people. A gender analysis of value-added tax in South Africa showed that the very poor were paying 9.02% of household income on VAT, while the very high income category was paying only 5.41% (Budlender, 1996). It was also observed that women's involvement in the informal sector, and mostly in retail activities, made them very vulnerable to the impact of VAT.

It is also possible to examine the impact of a budget on time-use for women and men. Some cuts in public spending can increase the amount of time women have to spend doing unpaid domestic work for their families or communities. So budget cuts must always be examined for their impact on women's work time. Gender budget analyses of this kind assist parliamentarian to make governments truly accountable to women. The findings of such analyses should be very accurate if they are to be used to challenge the executive budget proposals.

By tracking public expenditures to measure their impacts on women and men, girls and boys, gender budget initiatives also promote cost-effective delivery of services and expose corruption. The first Tanzania gender budget report observed that there was corruption in the use public resources in the health and education sectors. The Uganda initiative showed that almost no funds at all went to delivering advisory services to farmers in Kabale district. The entire budget was spent at the headquarters.

## **7. STRENGTHENING PARTICIPATORY DEMOCRACY**

In South Africa, women MPs allied themselves with two NGOs to start the WBI because they were looking for ways to continue their gender activism and other struggles against injustice. In Tanzania, an NGO formed an alliance with several other

NGOs and the Women's parliamentary caucus to start the GBI. The NGOs were looking for an opportunity to participate in determining national priorities and re-directing resources to women and disadvantaged groups. FOWODE started a similar initiative in Uganda with a broad alliance of civil society organisations, MPs and government officials. This new assertiveness by citizens reflects a new conception of democracy. Democracy is understood to mean citizens' active participation in the policy-making processes. The constitutional frameworks of the three countries, and the background of struggles against unjust rule, provide an enabling environment for active civic participation. The legislature is seen as the people's forum where that participation can happen.

## **8. STRENGTHENING PARTNERSHIPS WITH PARLIAMENTS**

The partnerships of civil society organisations and parliamentarians, which form the basis of the three gender budget initiatives, are deepening the notion of democracy. The agenda being pursued is not completely non-threatening. Promoting equality through redistributive policies can attract opposition from mainstream parliamentarians and state bureaucrats. Parliaments are by their nature elite institutions. Privileged groups can accommodate such demands if the demands do not sound immediate, or requiring important institutional changes. Sustaining these partnerships is a challenge especially for the civil society leaders who are the principle architects of the initiatives. The civil society organisations have collected data, undertaken research and participated in advice. The parliamentarians have provided access to information and led the advocacy campaigns. Gender budget initiatives cannot be effective where the budget process remains mostly closed to civil society and the legislature. Therefore the executive branch through the ministry of finance should be willing to open up the budget process so that representatives and citizens can participate more fully in determining budgets.

## **9. LESSONS LEARNT**

Although all the three initiatives started from outside Parliament, in South Africa and to a less extent in Tanzania, the governments have taken up the concept and initiated a process of its own. The combined strategy can sustain the initiatives. Australia, which pioneered the women's budget, had only a within government process: it gradually turned into a public relations exercise and was eventually scrapped.

Gender budgeting initiatives thrive best in parliaments, where the right of minorities to participate is already well accepted and where the governments have a background of participation in struggles for justice.

Gender analysis of budgets is a new area and does not deliver immediate results. Often it is not possible to make much headway when there is not sufficient gender-desegregated data. Parliamentarians want quick answers to their questions. It is important to be patient, realistic and accurate rather than to use information, which will be discredited.

Gender budget reports need to be summarised into easy to read briefs for MPs. MPs find the data and arguments very empowering. It is important to provide it in a timely way, for it to be useful.

## **10. CONCLUSION**

Gender budget initiatives strengthen the representative and oversight functions of parliaments. They provide parliamentarians with vital information and arguments to demand for more efficient and equitable resource allocations. The initiatives enhance transparency, accountability and participation by MPs and civil society in determination of spending priorities. Gender budgeting is an important tool for mainstreaming gender into economic policies. The key model for these initiatives is a partnership of civil society and the legislature. However, the executive needs to give political support by opening up the budgeting process and responding positively to the criticism from gender budget analyses.

**COMMENTS ON WINNIE BYANYIMA, “STRENGTHENING  
PARLIAMENTARY GOVERNANCE THROUGH GENDER  
BUDGETING: THE EXPERIENCE OF THREE AFRICAN  
COUNTRIES”**

**Agha Haroon Akram-Lodhi**

Byanyima’s stimulating paper has raised several questions regarding theory, methodology and experience. In particular, I want to focus on two issues.

In reading sections 4, 5, 6, 7 and 8 of Byanyima’s paper, I was struck by the similarities with the situation in Vietnam. These similarities are not those of the gender budget experience *per se*: Vietnam has not yet had a gender budget initiative.

Rather, one of Byanyima’s points is that in South Africa, Tanzania and Uganda the development, whether by State or by civil society, of a gender budget initiative has strengthened the presentation of gender issues within the sphere of the State economic decision-making.

This raises two questions. The first question is fundamental: to what extent have gender budget initiatives really changed the terms of engagement between gender and economic analysis, in the countries concerned? In most instances, in my opinion, a ‘gender analysis’ of budgets remains confined to investigating the gendered outcomes of sectoral spending. It is, of course, very important to understand how government spending can differentially impact upon males and females in education, health, and in other areas. Moreover, this type of analysis is well suited to the dominant neoclassical economic analysis used by those located in line and sectoral ministries. This neoclassical economics is based upon methodological individualism. For neoclassical economists, being able to investigate benefits that are individually appropriate (benefits such as schooling and health) is conceptually and empirically much easier than trying to establish, for example, the intrahousehold distribution of tax burdens. This is because methodological individualism is theoretically very weak when examining the possibility that behaviour may be macrostructurally determined or mesoinstitutionally mediated. Yet, good gender economists know that one of the key issues for analysis is understanding how the gendered institution of the household mediates individual

outcomes in areas such as the intrahousehold distribution of tax burdens. This is because gender relations not only affect outcomes, but also the decision-making processes that result in those outcomes. However, these decision-making processes, as well as in the household, can also be witnessed in other social institutions: in markets, in firms, in sectoral ministries, and in the focal decision making centres of government, such as the ministry of finance. Granted, it could be difficult to understand how macroeconomic decisions and mesoeconomic institutions affect individuals, because households mediate the relationship between taxation and expenditure decisions undertaken at the macro level, implemented at the meso level, and experienced by the individual. The effects of these decisions cannot easily be individually identified because of the mediation of the household, and the fact that the relationship is mediated is precisely the reason why neoclassical economists have such a difficulty investigating the relationship.

Nonetheless, the impact of gender relations on the mediation of economic decision-making and implementation means that a thorough gender analysis of public spending and budgetary processes cannot be confined to the microeconomic outcomes of spending and revenue decisions. If the 'toolkit' of most economists is not well equipped to handle such an analysis, there is, clearly, a need to find another set of tools. For this reason, my first point is the importance to emphasize that a gender analysis of budgetary processes cannot focus solely on the microeconomic, but it must also encompass the meso and macroeconomic.

This suggests in turn that the 'zone of engagement' between gender and economics must be systematically expanded into the sphere of macro and institutional economics, something that is still something of a 'fringe' activity amongst most economists, because such an expansion may pose great difficulties for neoclassical economics.

As a result, trying to understand the linkages between economic decision making processes and gender relations it is not easy for economists. Rather, there may well be a need to import specialists from other disciplines within social theory.

The second question I want to raise is what exactly is the best way to institutionalise the gender analysis of public spending and revenue acquisition decisions. In Byanyima's paper, gender budget initiatives have clearly been helpful in developing forums in which gender issues can be voiced and foster networks that are consulted by

government. However, being able to articulate gender concerns is not the same as changing policy. In order to change policy, the State must be responsive to the demands of those that articulate gender concerns. As anyone who has dealt with the World Bank knows, offering a voice is clearly not the same as affecting policy. It seems to me, then, that the need to affect policy requires the creation of institutional mechanisms that have the power to review and revise proposed policies, in light of possible concerns regarding gendered impacts.

It is simply not enough to increase the number of women mps on the joint standing committee on finance: relying on strategically placed individuals is not the same as relying on institutional structures. In other words, a 'gender audit' of proposals should not be simply consultative, but it should have a binding impact, and this in turn requires the creation of institutional mechanisms that go beyond the consultative.

In Binyama's paper, it would appear that these institutional mechanisms are lacking in South Africa, Tanzania and Uganda, as they are in Vietnam, and I believe that there is a clear need for advocacy work in the area of the creation of institutional structures.

## **GENDER BUDGETS: THE AUSTRALIAN EXPERIENCE**

**Rhonda Sharp**

In August 1984 the results of the world's first 'inside government' gender-sensitive budget exercise were launched. The publication contained a clear statement that governments needed to know more about the impact of their budgets on women if they were serious about understanding women's economic role and contribution. The then newly elected Labor Prime Minister, Bob Hawke, stated in the foreword to the 1984/85 Budget paper on women:

*When the Government comes to forming this year's budget it will do so with the full cognisance of the impact of the decisions it makes could have on women. We shall ensure that within the overall economic objectives of the Government that important decisions we make this year on the budget are made with the full knowledge of their impact on Australian women. (Department of the Prime Minister and Cabinet 1984: 3)*

The challenges of assessing the budget for its gender impact were also taken up by the six state and two territory governments in the following years. The federal government's Women's Budget Statement was published for 12 years (1984/85-1996/97) and today the Northern Territory and Tasmanian governments continue to undertake such an exercise.

In this paper I will outline the Australian women's budget experience by discussing how these exercises fared in terms of the goals they set for themselves. While it is always pleasing to be able to say that Australia 'thought of it first', I would argue that the real significance of the Australian women's budgets lies in the fact that they lasted so long, having been undertaken by all governments at the federal and state

levels. Moreover, despite the growing interest internationally in assessing budgets for their gendered impacts these exercises are more likely to be undertaken by groups outside government than within government, particularly in the developed world. An analysis of the Australian experience therefore takes us some way to answering the question: What does it take to get a gender-sensitive budget exercise implemented within government and what might be achieved with an 'inside government' approach?

## **1. THE CRUCIAL ROLE OF THE WOMEN'S POLICY MACHINERY IN THE EMERGENCE AND IMPLEMENTATION OF A GENDER-SENSITIVE BUDGET APPROACH IN AUSTRALIA**

'Inside government' gender-sensitive budgets do not survive and thrive as technical exercises. The emergence and enduring nature of the Australian exercise owes much to the highly developed women's policy machinery within the federal and state governments (which does not exist at the local government level). The women's policy machinery gave a number of women the position and the policy coordinating powers to devise and implement a women's budget.

The women's policy machinery had been located at a high level within government: in the Department of the Prime Minister and Cabinet at the federal level and the Department of the Premier and Cabinet at the state level. This meant that the primary function of these women's policy offices was to coordinate policy rather than provide services to women. In this position it was soon realised that, in order to coordinate policy and assess cabinet submissions effectively, engagement with the budget was essential. Policy separated from the budget process would not enable the essential function of the women's policy machinery to be fulfilled.

This women's policy machinery had been well thought out and its model had been developed by the women's movement during the 1970s rather than invented by government (Sawer 1999: 37). Furthermore, feminists took jobs in the women's policy units, creating a feminist presence within the state itself. These 'femocrats', as they became known in Australia, worked to gain support for the idea of a women's budget among key state players, including senior ministers and their ministerial staff, the premier or prime minister, women parliamentarians and women's units within the line departments, as well as senior public servants. A similar emphasis on developing political alliances has taken place with the South African women's budget. While the South African exercise is essentially an 'outside government' or community-based exercise, its effectiveness has been ensured by substantial support from the Joint Standing Committee on Finance of the South African Parliament.

A central figure behind the idea of the federal women's budget was Anne Summers, Head of the Office of Status of Women and Women's Adviser to the Prime Minister. She successfully gained support from a high level Task Force of Permanent Secretaries (Heads of Departments) established by the Hawke Labor Government soon after it came to power in 1983. This task force played a crucial role in getting high-level commitment to the women's budget and other initiatives, and ensuring departmental support for them, before proposals went to cabinet (Sawer 1990: 73). However, it was the Office of the Status of Women, Department of the Prime Minister and Cabinet, which was the driving force which made the exercise work in practice. In many cases, especially during the 1980s when the power of femocrats was at its peak, the central coordinating women's office was supported by a network of specialist women's units within agencies, or, in the federal case, women's desks were established to support the women's budget process from within individual agencies.

Thus the specialised women's policy machinery of government established in Australia provided a set of institutional arrangements within the bureaucracy which both initiated and drove the gender-sensitive budget exercises. These institutional arrangements also provided a power base, which enabled gender issues to become part of the budget process.

Strong institutional arrangements are needed inside government to make gender-sensitive budgets work. However, the political role of community voices remains paramount. As I have argued elsewhere, feminist shapers of policy from within the state were crucial to the creation of women's budgets in Australia, but, ironically, their key role may have also served to indirectly weaken wider participation by women in the community (Sharp and Broomhill 1999). The published results of the women's budget exercises were presented to women in the community largely as a communication exercise as to what the government had achieved. The result was that femocrats occupied the dual and contradictory position of being both the initiators of policy and policy machinery and the custodians of those results. To the extent to which women's budgets can bring about changes in budget allocations such change generally needs to be linked to significant political pressure from both inside and outside of government. Achieving economic equality for women is ultimately a political rather than an administrative process. As John Loxley describes it in the Canadian alternative budget manual *Show us the money! The politics and process of alternative budgets*: "The central message [...] is that budgets are, above all, political documents [...] Democratising the budget is important" (Loxley 1998). This is not to deny that good tools and methodologies for assessing budgetary impacts are critical. It is more useful to see the 'economic analysis' of budgets as an essential but insufficient condition for change.

Another problem with the fact that the women's policy machinery was so crucial in the workings of Australian women's budgets was that it was an area that was vulnerable to the cuts in government expenditures of the mid to late 1990s. The demise of the women's budgets at the federal level coincided with a 40 percent budget cut to the Office of the Status of Women in 1996 and a long gap before the appointment of a new director (Sawer 1999: 43). In contrast, the remaining women's budget exercises of the Tasmanian and Northern Territory governments have been characterised by stable institutional and funding arrangements with long-serving directors of the women's policy units.

## **2. THE GOALS OF THE AUSTRALIAN WOMEN'S BUDGETS**

The Australian women's budgets had three interrelated goals<sup>8</sup>. They were:

1. To raise awareness of the gendered impacts of the budget and the policies it funds;
2. to make governments accountable for their commitments to gender equality; and
3. to bring about changes to policies and budgets that would raise the social and economic status of women and further gender equality.

I will argue that some level of success was achieved for each goal. However, an analysis of the resistances and limitations, with respect to each of these goals, points us to a better understanding of the inside government gender-sensitive budget exercises in practice.

### **2.1 Raising awareness of the gendered impact of the budget and policies**

The assumption underlying the need for specialised women's policy machinery within government was that women and men occupied different economic and social positions and so economic and social policy could be expected to have different gender impacts. It followed from this that, to the extent that policies and budgets were based on a male norm, they would have unexpected and unintended consequences and these needed to be scrutinised.

The initial target group for gender awareness raising was the bureaucracy. A key strategy was the refusal to accept that any program or policy was 'gender neutral'. As stated in the foreword to the South Australian Women's Budget the exercise was about obtaining

*Information about what is being done for women, to raise the profile of women's programs in bids for funding, but also to build into each department a clear awareness that everything they do, every dollar they spend, has an impact on women—and that impact is very often different for women than for men. (South Australian Government 1987: 11).*

Awareness raising was also pursued by providing a conceptual framework which shifted the attention to those 'general' or non-gender-specific programs which comprise the majority of government expenditure (see Appendix 3). The framework also distinguished between government programs and services to women in the community and government equal employment opportunity activities for those employed within the public sector. The federal women's budget exercise chose to exclude government equal opportunity expenditures in order to emphasise that its gender sensitive-budget assessments were about the impact of policies and resource allocations on the community.

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<sup>8</sup> See Appendix 2 for a statement of the goals of the Tasmanian Women's Budget Statement

## *COMMENTS*

The Australian experience achieved considerable success in raising awareness generally in the bureaucracy about the unlikeliness that policies and budgets would impact equally on men and women. This manifested itself in the identification by departments of the increasing number of ways in which policies and budget allocations may have differential gender impacts.

In particular, the Australian gender sensitive budgets drew attention to the microeconomic aspects of women's disadvantage. For example, they included identification of the significantly lower levels of government expenditure on industry restructuring in the feminised textiles, clothing and footwear industries compared to the male-dominated passenger motor vehicle industry in Australia (Department of the Prime Minister and Cabinet 1986: 178–182). Other examples of gender inequities that these exercises have uncovered range from women farmer's relatively lower access to farm extension advisers and other agricultural services, barriers to women training in areas that led to (relatively higher paid) trade qualifications to the design of social security benefits on the basis of assumptions that women were the economic dependents of men. These were clearly issues of women's relative disadvantage and they had significant implications for women's employment, productivity, human capital development, pay equity and effective taxation rates.

It is more difficult to measure the impact of the women's budgets on broader public debate. There were many economic debates that women engaged in during the 1980s and the 1990s. There is reason to believe that the work done within the bureaucracy has some bearing on a broader feminist of the inequities of Australian economic policy with respect to industry, education and training, aged care, income

support, welfare and taxation reform. An analysis of the efficiency issues in the women's budgets and in the community (for example, women's different labour supply responses arising from labour market, welfare and taxation policies) largely occurred at the household and firm level.

The understanding of differential gender impacts of budgets has, however, been limited by several factors:

- the limited range of tools used by departments (a gender-aware policy statement was the overwhelmingly adopted tool);
- political resistance to, and a lack of technical resources for, analysing the revenue side of the budget (the occupational welfare of wage earners was more likely to be analysed for its gender impacts than fiscal welfare available to corporations); and
- a lack of a macroeconomic theory, which included the 'care' economy.

Developments in research mean that the constraints of these largely technical knowledge and skills do not have to be the fate of other 'developed' countries embarking on a gender-sensitive budget analysis today.

## **2.2 Accountability**

Gender-sensitive budgets are a means of monitoring and reviewing outputs and outcomes that would otherwise go unmonitored by the government budget. They also facilitate the collection of new data that can produce different assessments and measures of progress than those that might be inferred from the conventional review and audit processes of governments. As a result, gender-sensitive budgets can make a significant contribution to monitoring a government's commitment to gender equality and the identification of gaps and strategies for progressing towards these goals.

The Australian women's budgets sought to provide a basic audit of all government programs. In their most developed form these exercises required departments to: (1) examine their stated policies and assess their relevance for women's social and economic status; (2) identify gender indicators of outputs and outcomes (eg the number of women or men beneficiaries of the program); (3) specify the resources allocated; and (4) indicate changes planned in the forthcoming year. (See Appendix 4 for an example.)

The audit aspect of the women's budgets was also the rationale for publishing women's budgets as treasury budget papers (eg the federal, South Australian and Northern Territory women's budget statements) or as a public report from the women's policy office (eg Victoria, New South Wales). These were seen as ways in which the government might be held accountable in the Australian context.

## *COMMENTS*

Gender sensitive budgets can be distinguished from conventional government audits and reviews that focus on administrative efficiency, and, in fact, have more in common with other social audits such as environmental and poverty impact assessments. However, in contrast to social audits, gender sensitive budgets, with their specific focus on budgets, link budgetary allocations with policies and programs. This link is crucial in establishing the capacity of gender-sensitive budgets to assess progress towards desired outputs and outcomes in relation to gender equality. Furthermore, this audit function is enhanced in those gender sensitive budget exercises that require government agencies to identify gender-disaggregated indicators of performance against which they can be assessed for improvements over time.<sup>9</sup> In practice, an important spin-

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<sup>9</sup> The first attempt to do this was in the 1989–90 South Australian Women's Budget. Departments were asked to provide their own internal indicators of progressive changes and detail the

off from this in Australia has been that numerous gaps in gender-disaggregated data have been identified. In several cases this has resulted in the implementation of strategies to improve data collections at both individual government agency and national statistical bureau levels. Establishing criteria against which progress will be measured and ensuring the collection of adequate data are essential elements in any strategy for achieving gender equality.

The budget and budgetary processes, however, in conventional forms, offer a limited framework for monitoring progress towards gender equality. It allocates resources on short-term criteria often on the basis of narrow financial parameters. The Australian women's budgets, with their emphasis on evaluating whether policies and resource allocations are achieving longer-term goals of gender equality, have fitted uneasily with the traditional budget process. Budgetary public administration 'reforms' such as program performance budgeting (PPB) and, more recently, output budgeting (OB), on the surface provide avenues for improved monitoring and accountability which could be incorporated into gender-sensitive budgets. In practice their success in Australia has been limited. It will be argued below (under the third goal of Australian women's budgets) that this is because administrative processes can obscure the real political nature of budget decision-making.

A central factor, which undermined the audit objectives of the Australian women's budgets, has been a marked shift in the criteria by which governments see themselves as being held accountable. Gender equality has slipped from the public policy discourse and agenda. It has been replaced by new versions of citizenship and economic governance, the central one being government's obligation to women as consumers and

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expected future outcomes of current expenditures. This format was an explicit attempt to establish a performance monitoring system that linked official policy with effective resource allocations and actual outcomes (Sharp and Broomhill 1990: 11). These monitoring features were included in the training programs of those Commonwealth developing countries who have

customers. To the extent that the consumer is central to the consolidation of market governance it is associated with the individualistic, market savvy self of neo-liberalism. In such a form the economic and social are cast as antagonistic. Some describe this as the de-socialisation of economic governance. In this scenario, the challenge for women's budgets is to find ways to mobilise the identity of the consumer in a way that forges a link between the economic and social. One commentator has argued that in the New Zealand context rather than marking the 'death of the social' (or a de-socialisation of economic governance) the emergence of the consumer has involved the mutation of the social into new forms (Larner 1997: 1).

Others suggest a different set of accountability criteria for governments, which rework the social into economics. Diane Elson and Nilufer Cagatay present one such alternative in the World Development special issue in July 2000, which focuses on macroeconomic policy (Elson and Cagatay 2000). These issues remain challenges for Australian Women's budgets whose initial successes occurred in a very different economic and social environment to the one they face today.

### **2.3 Change budgets and policy**

A less explicit goal of the Australian women's budgets has been to bring about policy and budgetary changes (see Appendix 2 for an expression of this objective). Governments, however, were primarily motivated to undertake a gender budget exercise so that they could showcase their achievements for women. In contrast, the femocrats and the women's movement had an agenda for change.

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participated in the Commonwealth Secretariat-assisted pilot on integrating gender into national

## COMMENTS

It is difficult to establish a direct relationship between the women's budgets and changes to policies and resource allocations. Nevertheless, research on family policy indicates that in the decade in which women's budgets were at their peak (1985–96) expenditures in areas of importance to women grew significantly. For example, federal assistance to families with children rose by 27 percent and assistance to the aged rose by 24 percent (Mitchell 1997). In addition there was a five-fold increase in child care places (50 000 to 234 000 places) for working women (Sawer 1999). Moreover, as the neo-liberal policy agenda took hold, women's budget exercises were used as an early warning system. In some instances the women's policy coordinating office was able to identify in advance what areas were likely to be subject to budgetary cuts and to use the office's strategic position to argue against such cuts.

A fundamental problem unveiled by the Australian women's budget exercises was how little was understood about how budgetary decisions were made. While the departments of treasury/finance perpetuated the idea that they made the critical budgetary and policy decisions, and undoubtedly they were very influential, the role of other less visible stakeholders such as the budget cabinet committee and large business was harder to ascertain and influence. Budgetary decisions and the use of political power around the budget remains an area which needs further scrutiny.

### 3. CURRENT SITUATION

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budgetary processes (see Budlender and Sharp 1998).

The current political climate is not supportive of an 'inside government' gender budget exercise, particularly at the federal level. The current conservative Liberal-National Party Government recently downgraded its commitment to the United Nations Convention for the Elimination of Discrimination Against Women (CEDAW). In a disturbing move, the Business Council of Australia has proposed that Australia's economic performance might be enhanced if fiscal policy were undertaken by a body independent of the government of the day and, more to the point, independent of parliament! These are directions which reflect the neo-liberal policy shift that has occurred in Australia. Such a policy discourse and approach to governance makes gender budgets a difficult strategy to pursue. The difficulties include the binary opposites imposed under neoliberalism such as:

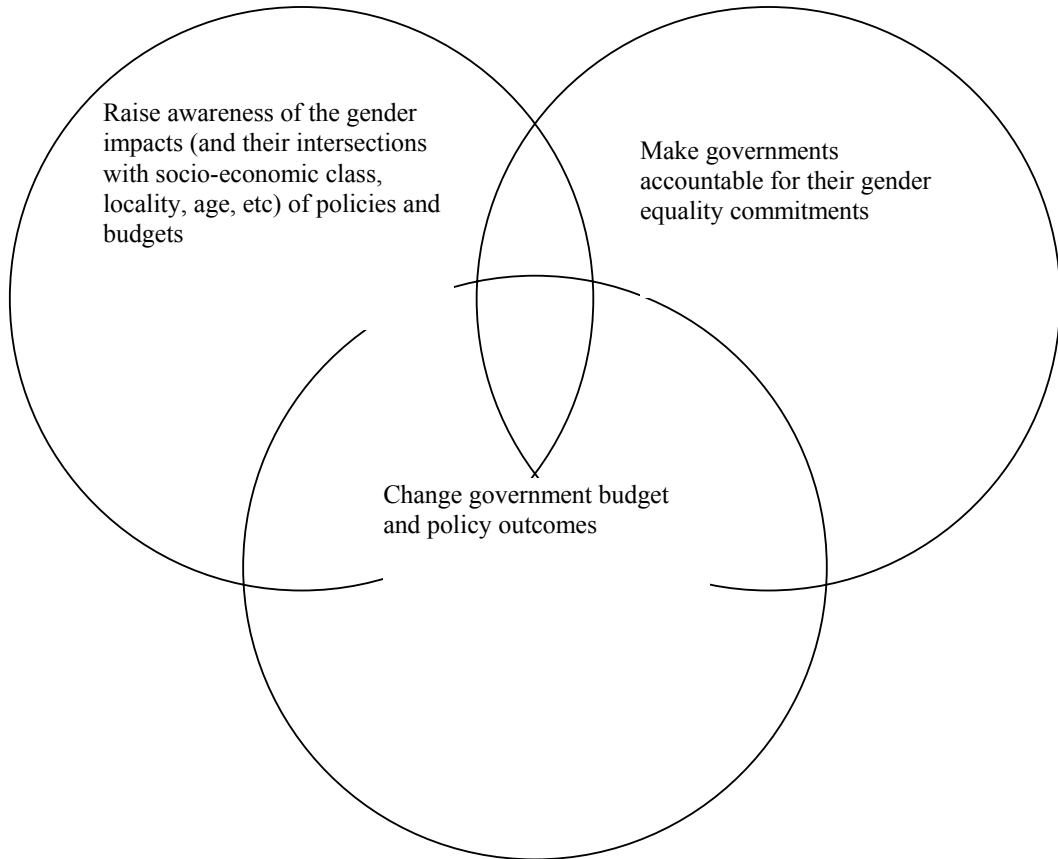
- markets are preferred to government intervention;
- efficiency is prized over equity; and
- individualism is promoted over the collective.

As a result, there has been a fundamental restriction of the space for gender politics and the types of politics that can be advocated.

On the positive side, however, there is a renewal of interest in 'outside government' gender-sensitive budgets. During the 1999 Victorian election researchers funded by a foundation audited the government's expenditure for its social dividend. That is, they examined how the benefits of growth had been translated into key areas of social expenditure including education, health, welfare and community services, and areas of expenditure vital for gender equality. This formed part of a general critique of the government's policy approach, which resulted in the government losing the election.

## Appendix 1

### Three Interrelated Goals of Australian Women's Budgets



## **Appendix 2**

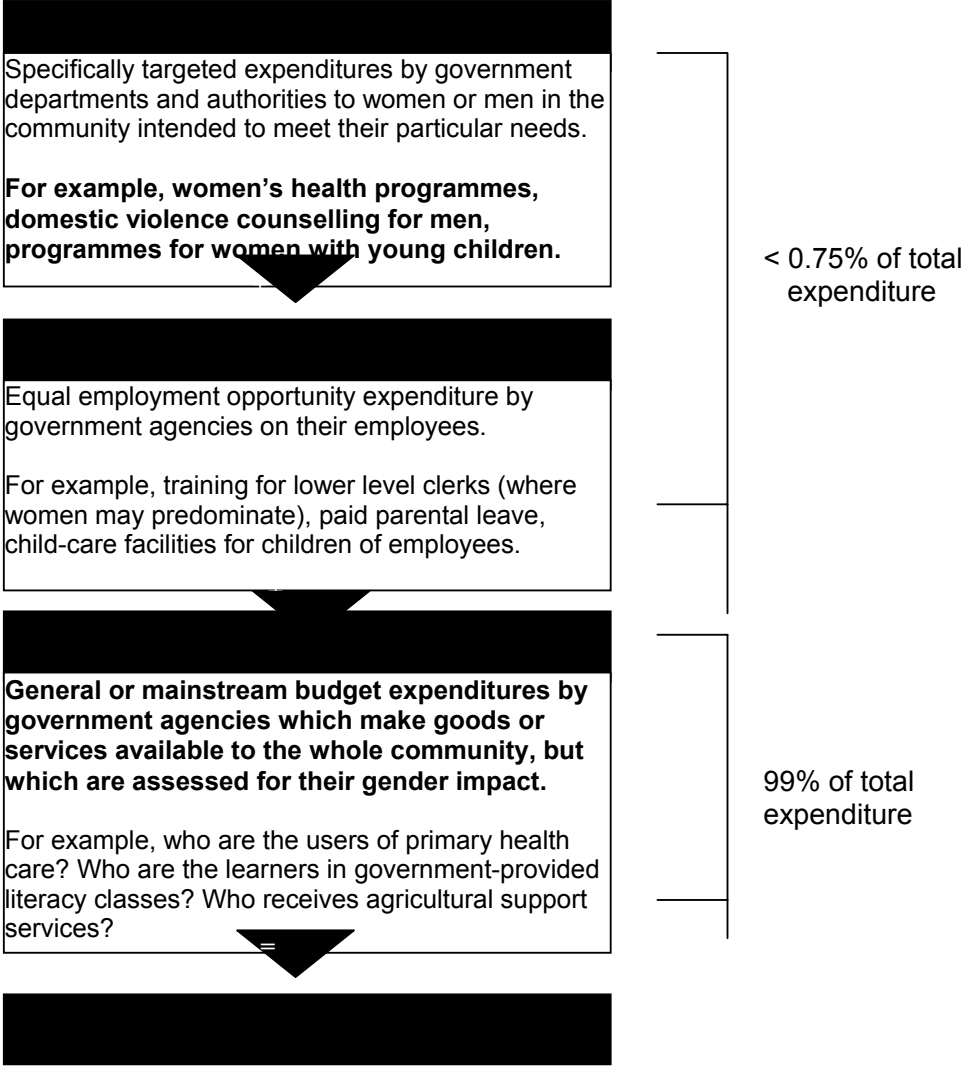
### **Aims of the Tasmanian Women's Budget**

The annual women's budget provides:

- a comprehensive record of all government programs impacting on women;
- a valuable resource for all those who wish to monitor the government's progress in recognising and addressing the specific needs of women;
- a mechanism for government agencies to regularly analyse whether their programs are taking into account, and responding appropriately to, the particular needs of women.

*Source: Tasmania, Office of the Status of Women 1997.*

**Appendix 3**  
**Public Expenditure Categories**



Source: Sharp 1995, reproduced in UNIFEM 2000: 116.

## Appendix 4

### Program Audit of the South Australian Department of Agriculture Using the Three Expenditure Categories

The majority of agricultural properties are operated by partnerships, which involve women who also have an active role in the management and operation of many properties. Recognising the contribution that women make to the rural community and economy, the Department of Agriculture is committed to improving rural women's access to information and involvement in decision-making. Furthermore, the department promotes the principles and practices of equal opportunity in employment and is actively working to improve career opportunities for women working in the department. The departmental programs and budget allocations are as follows.

<b>Program</b>	<b>1988-89</b>	<b>1989-90</b>
	<b>\$000s</b>	<b>\$000s</b>
Agricultural Industries Policy	66,186	62,701
Agricultural Crop Industries	9,853	11,056
Horticultural Crop Industries	4,068	4,578
Animal Industries	15,372	16,549
Farm Management and Rural Community Support	1,961	2,450
Agricultural Resource Management	16,550	18,350
State Disaster Planning, Control and Relief	3,200	3,072
Provision of Advisory and Analytical Chemistry Services	-	2,519
Service and Supply	12,817	12,943
Total	130,007	134,218

<b>Allocations specifically targeted to women and girls (Expenditure Category 1)</b>	
<b>Project</b>	<i>Women's Agricultural Bureau</i>
<b>Aim</b>	To encourage interest and participation in the development of rural life, particularly in agriculture. To encourage educational and cultural opportunities at all levels. To influence policy making at all levels
<b>Issues</b>	Most women on family farms are members of business partnerships and have responsibility for financial record keeping. Many do not have any formal training in business management.
<b>Activity 1</b>	Financial Planning Seminars for Women coordinated by the Women's Agricultural Bureau
<b>Indicator</b>	Twenty-five participants per seminar. In 1989-90 averaged 22 participants per seminar
<b>Action</b>	14 seminars in 1989-90
<b>Expected outcome</b>	Greater skill and confidence in financial management issues.
<b>Activity 2</b>	Computer workshops for rural women coordinated by Women's Agricultural Bureau.
<b>Action</b>	8 courses conducted in 1989-90
<b>Expected outcome</b>	Women on farm properties benefit from information about new technology relevant to farm tasks.
<b>Expenditure</b>	1988-89 \$42,200                      1989-90 \$50,000
<b>Full-time equivalent staff</b>	1.0
<b>General allocations - impact of key activities on women/girls (Expenditure Category 3)</b>	
<b>Program</b>	<i>Animal Industries</i>
<b>Issues</b>	The current level of child infection from dogs is a danger to the health of the children, as well as a problem for women who are the

	primary care givers.
<b>Activity</b>	Study of worms and infectious skin conditions in dogs in Aboriginal communities, and cross infection rates of humans, particularly children.
<b>Indicator</b>	Level of infection
<b>Action</b>	Survey the kinds of infections currently present in dogs at Ernabella and design a program treat them.
<b>Expected outcome</b>	Reduction in infections in dogs and in humans.
<b>Expenditure</b>	1988-89 \$-                      1989-90: \$15,000
<b>Program</b>	<i>Farm Management and Rural Community Support</i>
<b>Issues</b>	Women working and living on farm properties are primary targets for farm safety campaigns, both for themselves and the occupational health and safety problems of other members of their families.
<b>Activity</b>	Farm safety seminars offered statewide, coordinated jointly by the Women's Agricultural Bureau, Rural Youth and the Agricultural Bureau.
<b>Indicator</b>	Percentage of women attendees at seminars.
<b>Action</b>	Seven seminars conducted in 1988-89. Number of seminars for 1989-90 not yet finalised.
<b>Expected outcome</b>	Greater awareness of potential farm accidents.
<b>Expenditure</b>	1988-89 \$6,000 1989-90-\$8,500
<b>Full-time equivalent staff</b>	0.1
<b>Program</b>	<i>Farm Management and Rural Community Support</i>
<b>Issues</b>	The need for equal access to program in personal and group development and

	opportunities to develop leadership skills and enable women to play an equal role in community activities.	
<b>Activity</b>	Rural Youth Movement of South Australia	
<b>Indicator</b>	Proportion of female membership is 50%.	
<b>Action</b>	Provide equal access to programs.	
<b>Expected outcome</b>	Women are now taking an equal role in organisational leadership at state level. The aim is to increase this at grassroots level.	
<b>Expenditure</b>	1988-89 \$33,500	1989-90 \$38,500
<b>Full-time equivalent staff</b>	1.0	
<b>Program</b>	<i>All Programs</i>	
<b>Issues</b>	Access to information and advice is essential for production and management of agricultural properties.	
<b>Activity</b>	Advisory services to farmers and farm managers	
<b>Indicator</b>	Women make up a significant minority of all those identified as farmers and farm managers in Australian censuses. This proportion rose from 29% in 1981 to 34% in 1986, mainly through the decline in the absolute number of males in these categories.	
<b>Action</b>	A number of programs, funded by commonwealth grants and using the Women's Agricultural Bureau and Rural Youth, aimed at raising the confidence of women.	
<b>Expected outcome</b>	Further growth in the proportion of women who regard themselves, and are regarded by others, as contributing positively to agricultural production in South Australia.	
<b>Equal employment opportunity evaluation for women employees (<i>Expenditure Category 2</i>)</b>		
	% Female 1983	% Female 1988
<b>Classification Profile</b>		
C01 below the barrier	78	79
C01 above the barrier	77	92

A01 to A05		10		42		
E01 and above		7		13		
<b>Occupation</b>						
Clerical and Administrative		51		62		
Technical		22		20		
Professional		5		7		
Weekly paid		28		31		
Total		25		26		
<b>Employment status</b>	<b>Part-time 1983</b>	<b>Part-time 1988</b>	<b>Full-time 1983</b>	<b>Full-time 1988</b>	<b>Temp 1983</b>	<b>Temp 1988</b>
Females as % of total female workforce	10	15	65	60	25	25
Males as % of total male workforce	1	-	79	86	20	14
<p>Aboriginal employees: The department has no Aboriginal employees.  The department has 87 committees, with a total of 77 female and 632 male members.  Equal Employment Opportunity Budget 1989-90 \$45 000.  No specific allocation to women.</p>						

*Sources: The Budget and Its Impact on Women 1989-90 (1989), Financial Information Paper No 5, Adelaide: South Australian Government Printer, pp 50-52; The Budget and Its Impact on Women 1990-91 (1990), Financial Information Paper No 5, Adelaide: South Australian Government Printer, p 39; The Budget and Its Impact on Women 1991-92 (1991), Financial Information paper No 5, Adelaide: South Australian Government Printer, pp 133-135.*

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# **POLITICAL AND POLICY CONSIDERATIONS IN ALTERNATIVE BUDGETS: THE ALTERNATIVE FEDERAL BUDGET IN CANADA<sup>10</sup>**

**John Loxley**

## **1. THE ALTERNATIVE FEDERAL BUDGET: A BRIEF BACKGROUND**

The AFB exercise is now in its seventh year. It brings together some fifty different social and trade union groups from across Canada and, under the aegis of the Canadian Centre for Policy Alternatives, an Ottawa based think tank and CHOICES, a Winnipeg based social justice coalition, it produces a comprehensive annual federal budget, which is launched both nationally and in over 30 local centres a few weeks before the government budget.

The basic principles underlying the AFB are commitments to:

- full employment;
- a more equitable distribution of income;
- the eradication of poverty;
- economic equality between men and women;
- the protection of civil, political, economic, social and cultural rights;
- improvement in the environment;
- the strengthening of social programs and public services and
- the creation of a more just, sustainable and peaceful world order.

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<sup>10</sup> Paper presented to the Inter-Agency Workshop on Improving the Effectiveness of Integrating Gender into Government Budgets, Marlborough House, London, 26-27 April, 2000

The impetus behind the exercise were the massive cuts to social spending introduced by the Liberal government since the early 1990s. These cuts were so large that the government can now boast that 'Between 1992 and 1999, Canada implemented the largest reduction in program spending relative to GDP of any G-7 country: program spending as a percentage of GDP dropped about 8.5 percentage points, compared to an average of about 1.5 points for the G-7 countries'. (Budget Plan, Canada, Ottawa, Annexe 4, p.2).

In earlier years, the main debate was about whether program cuts were necessary to balance the budget. The AFB argued for a policy of lower interest rates and a lower Canadian dollar to achieve balance. In recent years, the debate has been about how to use the large and growing surpluses which are now being generated. The AFB has consistently argued for a comprehensive strengthening of social programs, outlining these in detail, and for a 'Fair Taxation' package which taxes both the rich and corporations in order to make deep tax cuts to poor and lower middle income Canadians. The right wing of the political spectrum, from which most of the parliamentary opposition to the government is coming, are arguing instead for rapid repayment of the debt and, increasingly, for steep cuts in taxes on the rich and on corporations for reasons of 'competitiveness'.

## **2. MAJOR GENDER ISSUES IN CANADA**

Canada is reasonably progressive on gender issues, at least at the level of law and policy. Canada has a human rights charter and human rights legislation at both federal and provincial levels. Employment equity, affirmative action and pay-equity provisions are common at all levels of government. Progress is being made in legal and

policy terms towards acceptance of non-traditional family structures, as evidenced by recent same-sex spousal benefits legislation at the federal level.

At the same time, deep structural problems are faced by women which government budgets can help address. Thus, 'most Canadian women become poor at some point in their lives' (National Council of Welfare, 1979). Over a third of poor families are headed by women. The poverty rate for single parent mothers under 65 with children under 18 years of age was 57% in 1997 (National Council of Welfare, *Poverty Profile, 1997*, Ottawa) and for those under 25 with children it was a staggering 93%! The overall poverty rate for those over 65 years of age has dropped significantly since 1980, due largely to the provision of state benefits, but the rate for women seniors (at 24%) is still double that for men. About 20% of Canada's children live in poverty but the rate of poverty for children with single parent mothers is three times as high, at over 60%.

The participation of women in the labour force has increased rapidly in recent years. In just twenty years the proportion of women with children under the age of three working outside the home has risen from a third to two thirds (Yalnizyan 1998). Increasingly, as incomes for working people stagnated in the 1980s and fell in the 1990s, women's paid labour is necessary to keep families out of poverty. Yet child care arrangements are deficient, women's labour is often irregular, seasonal and low-paying. Women remain the principal care givers for both children and the elderly and do most of the housework. Women have also been severely victimized by successive 'reforms' to the unemployment insurance system, an important aspect of Liberal fiscal policy. Cuts in spending on health care have affected women as both health consumers, care givers and employees; cuts to education threaten to reverse the progress women have made in post-secondary education in recent years; cuts to social assistance have a particularly severe impact on women as mothers, home makers and aspirants to participation in the formal labour market. How much more can women do, asks Yalnizyan?

### 3. THE AFB AND GENDER CONCERNS

Women have been particularly hit, therefore, by recent budget cuts. The AFB has always put a strong emphasis on gender analysis. From the outset a decision was taken by the Steering Committee not to have a separate section of the AFB devoted to gender issues or women's issues but rather that each policy group build these concerns into their analysis and proposals. Areas where engendering the budget<sup>11</sup> has been reasonably strong have been in the analysis of poverty and the steps needed to eradicate it, in job creation, unemployment insurance, pensions, advocacy and child care. Some elements of the tax package have always been gender sensitive, the various child tax credit proposals being particularly aimed at low income care providers. The AFB has consistently been a strong advocate of employment equity and has made explicit provision for meeting large pay equity obligations (over \$3 billion) which the government resisted until this year.

In terms of the budget process, persistent efforts have been made to secure representation of the National Action Committee on the Status of Women (NACSW) on the Steering Committee and to increase representation of women generally in the Steering Committee and in the policy groups. National and most local releases of the AFB involve women activists. A conscious effort has been made to have budget schools led by women and some schools have consisted entirely of female participants.

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<sup>11</sup>Engendering does not consist simply of incorporating specifically *women's* issues. In the first year of the exercise, the female Chair of the National Anti-poverty Organization cautioned the Steering Committee against over-generalizing the feminisation of poverty (a major concern not only in Canada) by stressing that the most rapidly growing portion of the poor was actually young single males. Engendering budgets often requires, therefore, some subtlety in both analysis and prescription.

In 1998, the Alternative Federal Budget Papers, CCPA/CHOICES, Ottawa, contained an article by Isabella Bakker and Diane Elson entitled 'Towards Engendering Budgets' which is a very helpful template for the AFB and similar exercises.

#### **4. EXTENT TO WHICH THE AFB HAS INFLUENCED GOVERNMENT**

It is difficult to determine what impact, if any, the AFB might have had on federal government policy. Opposition to cut backs has been successful in some areas and some tax and program spending initiatives of the government have been quite consistent with AFB proposals. In most cases, however, these outcomes have been the product of broader political campaigns of which the AFB was but a part.

Notably:

- the government's recent abandonment of its proposed Seniors' Benefit, a proposal which successive AFBs have attacked but which was defeated mainly because of the opposition it generated from seniors' organizations across the country;
- cuts to business subsidies in the 1995 budget;
- the 1996 Health Services Research Fund, remarkably similar to an AFB proposal on funding for alternative delivery models;
- expansion of infrastructure and job creation spending, especially on youth, after 1995;
- strengthening of research funding and introduction of scholarships for students in need in the 1998 budget;
- expansion of Aboriginal funding;

- accepting the need to pay over \$3.5 billion in pay equity settlements to female civil servants;
- reinstating cuts to the CHST for Health (\$2.0 to 2.5 billion p.a. in 1999) and for Health and Post-Secondary Education (\$2.5 billion in 2000);
- new funding to alleviate homelessness in 1999;
- doubling of duration of maternity and parental leave under the unemployment insurance scheme;
- reinstatement of some cultural spending;
- strengthening of Revenue Canada's ability to collect taxes.

These and a number of other small budget items are quite consistent with proposals in the AFB. In almost all cases, however, the policy steps taken differ substantially from similar AFB recommendations. Thus, the renewed funding for health is much less than recommended by the AFB, is time-limited and provides no resources for required innovations such as a National Drug Plan. There has been no movement towards a national grant program for students, funding for homelessness is woefully inadequate and the length of the maternity and parental leave provisions are still much less than is needed.

On the revenue side, perhaps the AFB has compelled the government to defend its failure to adopt the AFB's Fair Taxation package. This the government did at great length in its 1997 Budget Plan in an annex entitled Tax Fairness. Most of this is devoted to explaining why the government will not adopt a wealth transfer tax, why it won't tax high income Canadians any more, why corporations are not under taxed and how tax collections have been improved. These are all directed specifically at the AFB and mirror points made by Paul Martin in a letter to CCPA/CHOICES in May 1995. The

AFB has rebutted most of the arguments put forward by the government in the 1998 *AFB Papers. Canadian Centre for Policy Alternatives and CHOICES, Ottawa, 1998* (pp. 335-358).

The government has, however, introduced a number of tax measures since 1995 which are highly consistent with AFB proposals. The most significant, at a cost of \$0.9 billion next year and \$4.5 billion p.a. after 5 years, is the restoration of full indexing of the income tax system to reduce automatic revenue increases through inflation. Eliminating the 3% federal surtax on those earning less than \$50,000 p.a., limiting RRSP deductions for higher income groups, cutting back on SR and ED Tax Incentives, some tightening up on family trust loopholes, a temporary increase in taxation of banks, an increase in tobacco tax and gasoline taxation, a complete rebate of the GST on books for libraries and other institutions, and an enhanced child tax benefit are all, in varying degrees, compatible with AFB proposals. Some of them, however, again fall far short of what the AFB is calling for. Thus, the Child Tax Benefit, which has been increased substantially in the last few years, is focussed only on the working poor and is clawed back from others by reductions in social assistance payments, reinforcing age-old stereotypes of 'the deserving and undeserving poor' (Wiggins 1997); family trust loopholes still continue; the tax on banks was minimal; increases in gas and tobacco tax fall well short of what is needed and books and magazines for direct public use continue to carry GST. Nonetheless, the influence of the AFB on these measures is apparent.

Perhaps the most significant change in public policy since 1995 has been the acknowledgement of the importance of lowering interest rates and keeping them low. In 1995, the Minister of Finance, in his response to the AFB, argued that 'any attempt to force down short-term rates would be risky', yet the Bank of Canada appears to have done exactly that since 1996. The government would argue that rates have fallen

simply because deficits have been reduced/abolished and the outlook for Canada's debt burden has improved, reducing the 'risk premium' in Canada's interest rate structure. There is, however, little empirical evidence to support this notion. A close examination of the data shows, in fact, that it 'is more than three times as likely [...] that high interest rates caused Canada's high debt and deficits, than the reverse' (Stanford 1997: 54). The commitment to lower rates has, however, increased significantly since the first AFB and this portion of the Alternative Budget is no longer controversial. As rates have fallen, monetary policy plays a less important role in the exercise than it did initially.

While the monetary side of the AFB is now generally accepted, the fiscal side remains essentially unimplemented and stands as a direct critique of government policy, a critique that has steadily gained ground and credibility. The exercise has increasingly received attention both in the national media and at the grass roots level. In national terms, the AFB received enormous publicity in 1997, an election year, as the only coherent critique of Liberal fiscal policy. This included a twenty-minute segment on *The National*. At the local level it was released in over 30 places across Canada and gained the endorsement of local activists across the country. Importantly, most of it was adopted by the federal New Democratic Party as part of its election platform in that year (see *A Framework for Canada's Future. Alexa McDonough and Canada's NDP*. NDP Convention, 1997). This included the AFB approach to monetary policy, to financing debt, to much of the AFB's social programming in important areas such as health, to the use of the Genuine Progress Indicator as an alternative to GDP as a measure of progress (Cosby 1997) and to its detailed tax proposals.

One can point, therefore, to a number of policy measures which the AFB and the many groups which support it, have had on government policy. If fiscal surpluses continue and if pressures to lower taxes or pay off the debt more rapidly can be

resisted, one can expect to see more of the AFB's spending proposals appear in government policy.

## **5. AFB RECOMMENDATIONS THAT THE FEDERAL GOVERNMENT COULD ADOPT**

Recent announcements of substantial tax cuts over the next five years will limit the ability of the Government to adopt many AFB proposals. The key political task will be to provide a coherent alternative to those powerful voices calling for further large cuts to high income personal taxes and to corporate taxes. This will involve developing political support for strengthening social spending and shifting taxes from the poor to the rich. The areas of most concern to women will be creating a national child care program, reversing cuts to the unemployment insurance scheme, strengthening social assistance provisions, ending the clawback on the child tax credit and improving seniors' benefits.

## **6. GENDER ISSUES AND THE AFB: THE FUTURE**

The AFB still needs to do more to strengthen the gender dimension of both the budget itself and the budget process. Some areas where the AFB could enhance its gender content in future would be tracking the changing role of women in the macro-economy, data on women's access to UI and social assistance, post-secondary education, housing and retirement benefits, women and disability, the status and needs of First Nations' women, women in the fisheries and women in the justice and defence systems. On the tax side, several important issues concerning women have never been addressed adequately even when they have been discussed in the Steering Committee. Thus the AFB has not taken a public position on the taxation of spousal and child

support payments, nor on child expense deductions for parents who stay at home. While steps have been taken to increase the representation of women on the Steering Committee and Policy Working Groups, more needs to be done. Thus, in the 1998 exercise, only 13 of the 38 members of the Steering Committee were women, compared with 11 of 38 in 1997, and 15 of the Policy Working Groups had women as Chairs or Co-Chairs in 1998 compared with 11 of 19 in the previous year.

In terms of participation in the Steering Committee, care has been taken to involve the National Action Committee on the Status of Women (NACSW). But even when their individual representative has made a marked contribution, NACSW has never participated in a strongly institutional way, for instance, by publicly adopting the AFB or building it into their national meetings. This is probably explained by the fact that NACSW has been experiencing funding and other institutional problems, in recent years and not because it wouldn't share the AFB's policy perspectives.

Planning for the 2001 AFB is now in train and the first major meeting of the Steering Committee will be timed to dovetail into the national meeting of NACSW in Ottawa, thereby facilitating a physical presence by members of that organization. It has also been decided that there will, for the first time, be a section of the AFB which pulls together, from all relevant sections, a box highlighting gender concerns and what the AFB proposes to do about them.

## **7. THE ROLE OF THE AFB**

There are differing views on the role of the AFB. Some see it as being essentially a tool for lobbying the government. In this respect it has had some success and has become the main vehicle in opposition to using budget surpluses for debt reduction or

tax cuts for the wealthy. This is an important role given the enormous resources of the business community which are going into pressurizing the government to, especially, lower corporate taxes and income taxes on the wealthy. That the government has, on the whole, taken a pragmatic, middle of the road policy on the use of surpluses is due in no small measure to the existence of the AFB which serves to prevent government from going too far to the right.

Others see the AFB as a mobilizing tool for a broadly based coalition movement which would organize around the main principles inherent in the AFB. Measuring progress in meeting this object is more difficult. It is apparent that more financial resources are needed to promote the AFB more aggressively and to secure more local involvement at the community level.

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# THE EUROPEAN EXPERIENCE OF GENDER AUDITING OF NATIONAL ACTION PLANS<sup>12</sup>

Janneke Plantenga

## INTRODUCTION

Reinforcing equal opportunities is one of the four pillars of the European Union's new strategy on employment policy, starting at the Luxembourg summit of 1997. Within Europe, it is generally acknowledged that the position of women on the labour market merits particular attention, as a higher participation rate of women will contribute in a decisive manner to the employment growth that is needed to maintain the prosperity of the Union's Member States. In more practical terms, this means that member states should tackle 'gender gaps', take appropriate action to allow women and men to reconcile work and family life, and facilitate the integration of women and men in the labour market. Each Member State is under an obligation to draw up a National Action Plan following the agreed employment guidelines, under the four pillars. These National Action Plans are subject to assessment by the European Commission and since 1999 Member States have also been the recipient of recommendations based on these assessments, but endorsed by the Council of Ministers, as to how the National Action Plans could be strengthened in the future to meet the objectives of the European employment strategy.

The inclusion of equal opportunities as a compulsory fourth pillar (alongside the pillars of employability, adaptability, and entrepreneurship), has thus provided a new platform of the development of a European-wide approach towards reducing gender inequalities. The inclusion of a new guideline in 1999 requiring Member States to adopt a gender mainstreaming policy throughout the National Action Plan provided a further major impetus to the integration of equal opportunities issues into the employment framework. Moreover, mainstreaming has not been used within the guidelines as a

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<sup>12</sup> Based on Rubery, J., Grimshaw, D., Smith, M. 2000 *Gender Equality and the European Employment Strategy: An Evaluation of the National Action Plans for Employment 2000*, EWERC,

substitute for direct gender equality measures; indeed in the 1999 guidelines the second major change to the fourth pillar involved the introduction of the gender pay gap as a policy issue to be integrated into the employment strategy. The overall approach, therefore, follows the twin track recommended by the Council of Europe and other bodies that have explored the scope and role for mainstreaming. Mainstreaming provides the opportunities to build gender equality issues into all policy programmes and has the potential double benefit of ensuring that gender effects are taken into account in the initial design and of providing a basis for new and transformative approaches to policy-making. However, the introduction of mainstreaming does not reduce the need for gender specific policies to deal with gender inequalities and deficits. The maintenance of a specific equal opportunities programme has the added benefit of providing a continuing impetus towards gender mainstreaming which may be lacking if interests in dedicated gender equality policies were to lapse.

The objective of this paper is to evaluate the extent to which this twin track approach to gender equality in employment policy, as implied by the employment guidelines, has been translated into actual policy programmes and initiatives at the Member State level. The Luxembourg process has provided an unparalleled opportunity to put equal opportunities at the centre of European employment policy-making, but the extent to which this opportunity is turned into a reality depends on the reactions and responses in the Member States. The paper is based on the work of the EU experts group on gender and employment and the summary report which has been written as a result of the national evaluations (see heading). The paper consists of three parts. First, some information is given on the (European) gender equality deficit and the need for action. In the second section we focus on an evaluation of the 2000 National Action Plans. First we consider the development of gender mainstreaming, both from a methodological and process perspective and from a policy perspective, followed by a short discussion of the attention paid to specific gender equality policies within the National Action Plans. The third section assesses progress to date under the Luxembourg process, both with respect to gender mainstreaming and gender equality, and considers prospects and priorities for the future.

## **1. THE GENDER EQUALITY DEFICIT**

Generally speaking, the first half of the 1990s was characterised in Europe by recession, little net job creation and rising unemployment. Economic recovery, which began in 1994, gathered momentum in the second half of the decade due to improved competitiveness in international markets and strong growth in domestic demand. Higher economic growth also resulted in (modest) employment growth in the European Union. According to labour force survey data employment in the EU grew by 2.8 million during 1999, continuing the trend of net job creation since 1994.

The relatively stable and healthy macro-economic outlook across the EU can be seen as an important demand-side stimulus for the employment of women. However, across the EU there are a number of obstacles to increasing the number of women working. In many countries, there is sluggish growth in public and private sector services. Underdeveloped childcare services infrastructure hinders women's participation over the life-cycle. Persistent high levels of sex segregation, in a limited number of sectors and occupations, constrain women's employment opportunities. Also, slow progress in closing the gender pay gap diminishes the incentive to joining the workforce by concentrating opportunities for women's employment in low paid jobs.

In this section, we assess the significance of gender equality to the overall EU employment programme, concentrating on two dimensions, the employment rate and the gender pay gap. The employment rate offers insight in the accessibility of the labour market and as such refers to the quantitative aspect of the labour market position of women and men. The gender pay gap reflects many of the socio-economic difference between women and men, such as education, job choice, duration of employment contract etc., and as such offers information on the qualitative aspects of the labour market position of women and men.

### **1.1. Employment rate of women and men**

Between 1994 and 1999, six years of sustained job growth have contributed to a slight narrowing of the gender gap in employment rates. Between 1998 and 1999, the EU female employment rate rose from 51.2% to 52.6%, compared to a smaller rise from 70.8% to 71.6% for men. Nevertheless, the pace of change is slow. The gap in 1999 was still 19 percentage points – see Figure 1. Figure 1 also indicates that there are considerable variations in the different countries, with a relatively narrow gap in Sweden,

Finland, East Germany and Denmark, whereas Greece, Spain, Italy, Luxembourg and Ireland score relatively unfavourable in this respect.

Of course, comparison of member states' performance on the basis of the headcount measure of employment rates needs to be supplemented by use of data adjusted for full-time equivalent jobs calculated here by taking a part-time job as equivalent to half a full-time job. This has particularly striking implications for measures of the gender gap in employment, reflecting the tendency for women to be over-represented in part-time work and for men to work relatively long hours. For the EU as a whole, the FTE gender gap in employment increases from 19.0 percentage points in headcount to 25.6 percentage points in full-time equivalents. In practice the top four performers based on the smallest gender gaps in employment on a headcount basis, Sweden, Finland, East Germany and Denmark were also the top four countries on the FTE measure. However, for a number of member states, use of the headcount measure as opposed to the FTE measure is critical in determining their relative performance regarding the female employment rate. In particular, the high ranking of the UK and the Netherlands on the headcount measure drops substantially (from fifth to eighth place, and from eleventh to bottom respectively); these changes in position clearly reflect the high proportion of part-time employment in both countries. Conversely, the ranking of Portugal improves from seventh to fifth, due to the relatively low rate of part-time employment.

## **1.2. Education, children and the employment rate.**

The gender gap in employment can be further examined by exploring the role of education and parenthood in promoting, or hindering, equality of employment opportunity between men and women.

For both men and women, higher levels of education are associated with higher rates of employment. Moreover, equality of employment opportunities between men and women tend to rise with higher levels of education. Across the EU (excluding Greece and Ireland), among those with a low level of education women's employment rate is only half that of men's (27% and 50% respectively). By contrast, women and men with a high level of education have a relatively similar rate of employment (73% and 79% respectively). The gender gap is thus substantially narrowed as a function of education

(from 23 points, to 13, to 6, for low, medium and high levels of education respectively, Figure 3). This pattern is generally consistent across all member states. Minor exceptions are evident in Finland, France and the UK where the gap among medium educated men and women is marginally wider than among those with a low level of education, suggesting that the employment gains to increasing education from low to medium are greater for men than for women.

The major finding is the divergence in size of gaps by education across member states. The gender gaps in employment rate by level of education are relatively similar in Denmark, Finland, France, Sweden and the UK, while the spread is far wider in Austria, Belgium, Germany (East and West), Spain, Italy and the Netherlands. For example, in West Germany while low educated men are almost twice as likely to be in employment as low educated women (rates of 55% and 29%), there is relatively little difference among high educated men and women (77% and 72%). There are also differences across member states regarding the differential impact of education on women's employment rate. Denmark, Portugal and the UK stand out as member states where women with low education have a high employment rate (53%, 54% and 49% respectively) and the gains to increasing education are (partly as a consequence of the high starting point) relatively small. Conversely, women with low education in Belgium, Italy and Spain are far less likely to be in employment (rates of 19%, 20% and 21% respectively) and the gains to education are far higher. For example, the gap between women with low and high education in Denmark is 26 percentage points (rates of 53% and 79%), whereas in Belgium the gap is 57 points (rates of 19% and 76%).

Another important cause for differing male and female labour market behaviour is care for children. Given the fact that children cost both time and money, the presence of children in the household has a double-pronged adverse impact on the gender gap in employment: women's employment rate is reduced; and men's employment rate is increased. Hence, the gender gap among men and women with young children is significantly wider – see Figure 4. Employment rates for men aged 20-59 with children under seven were at least 90% in all member states compared to just three member states for men with no children. The impact of a young child on the employment rates of women is particularly strong in the UK, Germany and Italy where rates are more than

twenty points lower than for women with no children. In another six countries the employment rate falls by at least ten percentage points. These patterns open the gender gap in employment rates to over 45 percentage points in Ireland, Italy, Spain and Greece, while only in Austria and Belgium does the gap fall below 30 percentage points.

### **1.3 Gender pay gap**

Wage differences have proved an exceptionally stubborn factor in the labour market position of men and women. Pay data for 1995 from the Structure of Earnings Survey show that women, on average, are paid 73% of men's gross hourly wages across the EU (Ireland excluded). The data exclude public sector earnings and are thus likely to under-estimate women's relative pay since the public sector provides an important source of high paid jobs for women in particular. The pay gap is largest in the UK and the Netherlands, where women's average pay is only slightly more than two thirds of men's (66% and 69% respectively). By contrast, the gap is relatively narrow in East Germany, the Nordic countries, Luxembourg and Belgium (women's pay exceeds 80% of men's in each case, Figure 5).

As Figure 5 demonstrates, the average gender pay gap is narrower across the Union when data are restricted to full-timers only (75%). The pattern varies by member states, for while some register only a marginal difference (Greece, Italy, Portugal, Finland), the majority follow the trend at EU level with a difference between the two measures of women's average pay between one and three percentage points. For example, women's average pay compared to men in Belgium for full-time workers is 83.2%, but drops to 80.4% with inclusion of part-time pay data. However, one country stands out. In the UK, women's average pay compared to men drops by eight percentage points (from 74% to 66%), accompanied by a drop in the position of the UK in the EU ranking from twelfth place to bottom. The explanation is largely due to a high average wage differential between full-time and part-time employees, coupled with a

high share of women in part-time employment; on average, female part-time workers in the UK earn only slightly more than half the hourly pay of male full-timers (52%) compared to an average ratio across the Union of close to two thirds (65%). By contrast with the UK, the situation of Sweden is notable since despite a similarly high share of women in part-time work (41% in Sweden and 43% in the UK), inclusion of part-time pay data reduces the gender pay ratio by just over two percentage points (from 87.0% to 84.8%); the obvious reason is the relatively good pay prospects for women in part-time work in Sweden - in 1995 female part-timers earned, on average, 80% of the pay of male full-timers.

Further research clearly demonstrates the positive relationship between the size of the gender pay gap and the level of wage inequality (expressed as the inter-decile ratio). Member states with a high wage differential between the lowest and highest paid groups (Spain, France, the UK and, in particular, Portugal) are at the bottom of the ranking of countries by size of gender pay gap. Conversely, those states with the most compressed wage structures (Sweden, Finland and East Germany) have a relatively balanced gender pay differential (ranked in the top four by size of gender pay gap). A notable exception to the general pattern is Luxembourg, which combines high wage inequality with a relatively narrow gender pay gap. Recent policy developments in a number of member states have contributed to a narrowing of the gender pay gap by aiming to reduce overall wage inequality. In particular, the implementation of a minimum wage in the UK (April 1998) and Ireland (April 2000) narrowed the pay differential between the lowest decile group and the median.

Summarising this section, it seems fair to say that low levels of female employment in some member states remain a weakness of the economic outlook in the European Union. It should also be taken into account that headcount employment rate measures still overestimate the amount of female employment in the EU compared to full-time equivalents. Measuring employment on a full-time equivalent basis reduces the relative performance of the Netherlands and the UK. Education attainment boosts women's employment rate and closes the gender gap across the EU. The increases in the female employment rate associated with education are particularly high in Belgium, Spain and Italy while in the UK, Denmark and Portugal the returns are lower. The presence of

children on the other hand increases the gender gap in employment rates by raising the employment rate of fathers and reducing the employment rate of mothers. Young children increase the gender gap in employment rates to over 45 percentage points in Spain, Ireland, Italy and Greece. The gender gap in hourly earnings persists across the EU with women earnings only 73% of men's gross hourly wage. There are considerable differences between countries with women in the Netherlands and the UK experiencing the largest pay gap. The lower hourly pay received by many part-timers increases the gender pay gap. The introduction of minimum wages in the UK and Ireland has proved beneficial to low paid part-timers in particular.

## **2. EVALUATION OF THE NATIONAL ACTION PLANS**

Given the twin track approach, the evaluation of the National Action Plans contains two parts. First we consider the development of gender mainstreaming from a methodological, process and policy perspective, thereby focusing especially on the measures included in the first three pillars. Secondly, an evaluation is given of the attention paid to specific gender equality policies within the National Action Plans through the measures included under pillar four.

### **2.1 Gender mainstreaming in the National Action Plan**

The requirement to mainstream gender into all areas of the National Action Plans can rightly be considered one of the most innovative aspects of the European Employment Strategy. To what extent has this requirement been implemented and how should we assess the impact of these measures on the ways in which European employment policy has evolved since the start of the Luxembourg process?

The answers to this question must be given at an individual country level, for wide variations remain between member states in both the level of gender equality achieved and in the implementation of gender mainstreaming into their employment actions. Also, it should be taken into account that there is the problem of different starting points; in some cases countries with an already strong record of gender equality have not

apparently made major changes to their policies in the light of the mainstreaming requirement and thus as far as the interpretation of the NAP is concerned they may be considered rather weak with respect to mainstreaming; at the other end of the spectrum some countries with major gender gaps have apparently embraced the gender mainstreaming objective with more enthusiasm. A second problem is that in all cases there are strong and weak elements to the gender mainstreaming process and it is difficult at this stage to judge the trade-off between these different elements, particularly when the weak elements relate to the implementation and evaluation of mainstreaming. Nevertheless, it is possible to conclude that in a majority of member states the incorporation of this requirement has had a tangible and positive impact on both the visibility of women in employment policy and on the development of a policy approach which has the prospects of improving gender equality.

This is not to say that all Member States have taken up gender mainstreaming with the same level of enthusiasm and effectiveness. More analytically, it seems that a successful gender mainstreaming process depends on at least three different factors: a) the interpretation and implementation of gender mainstreaming; b) the institutional mechanisms for gender mainstreaming and c) monitoring and evaluation.

### **3. GENDER MAINSTREAMING: SOME PROBLEMS OF INTERPRETATION AND IMPLEMENTATION**

While there is clear evidence in the Nap's to suggest that the mainstreaming concept is becoming increasingly accepted and understood by European government, there are still major differences in how gender mainstreaming is interpreted and implemented. Some of the problems refer to definitions of gender equality, the transformative potential of gender mainstreaming, and the role of public policy

#### **3.1. Definitions of gender equality**

A commitment to gender mainstreaming requires an understanding of, and clear definition of what might constitute a more gender equal society. Without a defined goal the policy approach can't be implemented or evaluated. Some of the problems of the

interpretation and implementation lie in the implicit definitions of a gender equal society. In some NAP's women's role as primary carer is taken as a given and policies are designed to facilitate women's dual role. In the Netherlands, for example, there is a clear and genuine emphasis on the importance of an increasing female participation rate and several measures are included in order to make it easier to combine work and caring responsibilities. Yet, this quantitative target is not set within the context of a broader agenda, involving a more articulate development of employment, family and welfare policy. In this respect, the rise of a the one-and-a half-earner model (with women emphatically in the role of the half-earner) does not seem to raise any question about possible drawbacks from an equality point of view. In the UK, too, the diversity of working hours is seen by the government as a positive condition for the development of equal opportunities, and the polarisation between men's long hours and women's short hours is seen as evidence of personal choice and not as an issue for concern. Differences thus emerge between countries in whether the objective of gender mainstreaming is complete or incomplete or partial integration of women into the labour market.

### **3.2. Gender mainstreaming as a challenge to conventional policy formation**

Gender mainstreaming is supposed to have a long time, transformative impact on policy approaches and on the organisation of society. This transformative potential is in many cases not appreciated. As a result, where the policy is focused primarily or solely on policies for women, most of the policy initiatives related to equal opportunities tend to be found in pillar 4, not mainstreamed in the first three pillars, even when some of the policies could have been appropriately located under one or other of the first three pillars. This tendency has been identified even in some Nap's where in general there have been positive strides towards mainstreaming: for example in the French NAP a gender-orientated policy on entrepreneurship is not mentioned under pillar II but appears under pillar IV. Governments seem often unwilling to recognise a linkage between equal opportunities and the other employment policy pillars even when they are already implementing policies which effectively make such a link. In particular, in some Nap's there is a remarkable lack of recognition of the link between equal opportunities issues

and employment target objectives. For example, in Ireland where rapid growth has led to labour shortages in some job areas, there is limited recognition of the underutilisation of the female labour supply as a contributing factor.

Strikingly, when describing the policy initiatives under the first three pillars, there is a clear preference for the use of 'gender neutral' language which then gives the impression, not by any means always justified, of gender neutrality in the policy implications. There are in fact very few references to potential negative impacts on gender equality, even when evaluation reports and other information is already available providing a critique of the policy from a gender perspective. This wariness within the Nap's, both of moving away from gender-neutral language and of engaging in self-criticism and evaluation, serves to obscure the process of gender mainstreaming of the first three pillars. One of the obstacles of full implementation of gender mainstreaming may be that it requires a process of critical evaluation which governments in general, and politicians in particular, are unwilling to engage in; instead they focus only on the positive elements.

A further problem is that gender mainstreaming requires the analysis of the interrelationships between different elements of public policy and the reconciliation, where possible of conflicts, contradictions and tensions. Some of the positive benefits for policy-making in general that could be expected to derive from gender mainstreaming is this push towards 'joined up government', particularly as it clearly focuses on the link between the organisation of employment on the one hand and the organisation of social life on the other. This brings into the same policy net issues related not only to employment but also to tax and benefits, social infrastructure and public services, education and the time rhythms of daily life. However, governments are not necessarily yet ready to meet the challenge of confronting policies in all these areas or to investigate the full policy package for both coherence and compatibility with a series of objectives including gender equality.

### **3.3. Gender mainstreaming and the role of public policy.**

The main focus of policies adopted under the gender mainstreaming or gender equality umbrella is on factors which affect the labour market behaviour of individuals and not on the characteristics or structure of the labour market itself. Thus governments

appear more comfortable with policies designed to change the behaviour of individuals - for example the choices made by women and men prior to entry to the labour market - than with policies which impact on the 'discretion' of employers or trade unions to shape the labour market. Perhaps not surprisingly, most of the policies in fact focus on direct public policies - for example the provision of a childcare infrastructure, rights to leave, active labour market policies or tax policies. The policy agenda under both the adaptability pillar and tackling gender gaps in pay and occupational representation involves challenging existing labour market structures rather than simply influences how men and women fit into these structures. As a consequence policies under these headings tend to be much less developed. Indeed there appears to be reluctance on the part of governments to take responsibility for the organisation and development of employment systems and structures and there is a consequent tendency to resort to vague statements, starting measures or to reliance on unspecified actors to implement the policies. Yet some of the aspirations of moving towards a more gender equal society will not be achievable without a willingness to take positive policy actions to change the organisation of the world of work. Even in the areas where there is apparently more acceptance of government intervention - such as the care infrastructure - there is in some countries evidence of a reluctance by government to take the lead in developing new public services, possibly as this contradicts other policies to restricted public spending. However, this leaves the policy framework without a clear identification of which actors are responsible for delivering the changes to the infrastructure that the government acknowledges are needed and desired.

### **3.4. Institutional mechanisms for gender mainstreaming**

In order to implement mainstreaming there is a need for reform and changes to the institutional and policy-making procedures. The preconditions for mainstreaming include both changes which enhance the awareness of gender issues in the broader society and policy-making bodies and changes which are directly targeted at implementing a specific programme of mainstreaming.

If we take the last set of factors first we can divide these again into the development of guidelines or implementation tools for mainstreaming and the setting up of appropriate infrastructural mechanisms to implement mainstreaming into policy-

making. A number of countries have made progress with the development of mainstreaming guidelines, including gender impact assessment tools. In some cases these are national guidelines issued by the national government covering national government policy and possibly wider areas including the actions of social partners. In other cases the guidelines have been issued and developed at local or regional government level. In some cases this commitment to mainstreaming is backed up by legislative requirements or commitments. Here we can identify the requirement of the new Welsh assembly to promote equality and the requirements of new legislation in Northern Ireland requiring mainstreaming of actions by public bodies. In other cases the commitment to the adoption of guidelines is a political decision often influenced by the European Employment guidelines as well as by country-specific political development and concerns.

The commitment to use the guidelines or gender impact assessment tools varies between countries: in some cases it is mainly applied to projects covered by the structural funds while in others all new legislation is to be accompanied by a gender impact assessment (Finland and the Scottish Parliament and Welsh Assembly within the UK). Most of these commitments are very new such that it is too soon to identify many concrete results from these initiatives.

There has also been considerable progress in a number of countries in setting up and implementing an institutional structure for gender mainstreaming. Many of these structures involve inter-ministerial or co-ordinating committees facilitating the adoption of gender mainstreaming as a cross-cutting policy objective. France in particular has established a committee with responsibility for eight fields and a commitment to annual reporting and evaluation. In some countries - notably Belgium - the development of effective institutional measures is still lacking but is being actively discussed. The prospects for gender mainstreaming in Greece now seem much better now that an inter-ministerial committee and a supporting task force are promised. Austria had also developed a strong inter-departmental working party before this was disbanded with the change of government. Developments such as the inclusion of a duty to promote equality into the Portuguese constitution and into the bill setting up the Welsh assembly are thus particularly notable as these statutory commitments provide some protection against backsliding by new governments.

### **3.5. Monitoring and evaluation**

Gender mainstreaming at a minimum requires analysis by gender of the impact of policies. This analysis should involve ex ante and ex post evaluation; moreover the adoption of, for example, targets by gender, should provide some safeguards that the implementation of the policy will meet gender equality objectives. While there has been some examples of notable progress towards more adequate gender monitoring and evaluation, the Nap's still fall very short of meeting even the minimum requirements for gender monitoring and evaluation.

The main area in which progress has been made is in the provision of disaggregated statistics by gender. Some Nap's seem to confuse the provision of statistics with gender monitoring and analysis even when no commentary or explanation of the differences in gender statistics is provided let alone any link made between gender gaps and policy initiatives. Many of the gender desegregated statistics are provided in appendices and in some cases the references to gender disaggregated figures within the text is reduced in comparison to the 1999 NAP (examples include the UK, Netherlands, Belgium, Spain, Austria and Luxembourg).

There are still some notable omissions of gender disaggregated data from the Nap's; for example the Dutch NAP fails to refer to the higher unemployment rate found among women and the information on the structural funds does not contain a gender breakdown; the Irish NAP still provides non disaggregated data in the appendices. Similarly the adoption of gender-neutral language tends to limit references to gender differences in forms of employment and participation. Thus references to flexible working or to diversity of working hours are made without any analysis of differences in involvement in flexible working by gender (for example in the Dutch NAP) or to the polarisation by gender in actual working hours (for example in the UK).

While targets are rarely set, evaluations of policies from a gender perspective are even more rarely cited or promised. There is some evidence of future commitments to evaluations: for example in Belgium there is a commitment to evaluate active labour market programmes from a gender perspective and to modify them in the light of the findings. In Ireland a new monitoring unit has been set up but is very underresourced. In many cases there is also no reference to either past or proposed evaluations of policies

from a gender mainstreaming perspective. Indeed one of the findings across most of the countries is that previous measures announced in the Nap's have largely not been evaluated according to any criteria. Finland provides the only example of ex post monitoring of a policy which revealed unanticipated gender effects; a job sharing policy designed to facilitate lifelong learning was utilised primarily by women. However, further evaluation is needed to identify whether this was the result of women's preferences or because part-time work could be more easily accommodated in women's jobs. This example identifies the need to monitor all policies and to push the evaluation beyond participation rates.

While evaluation is still in its infancy, even when there are clearly identified shortcomings in policies there still appear to be little link between this analysis and the implementation of policies to remedy it. For example in Germany the under representation of women in apprenticeship schemes is noted, but this has not led to any redesign of the schemes or any discussion of the link between this and the low representation of women among the self-employed. Nor when there is disaggregated analysis of expenditure by gender (for example, lower expenditure per female participant on training programmes in Belgium) revealing implicit discrimination against women is there necessarily any attempt made to remedy this action. Thus the integration of evaluation, even where it is carried out, into the process of policy development and implementation has still to be achieved.

Some improvement in the monitoring and evaluation process can be expected the future, not only because of policy commitment to evaluation but also because of commitments to improve the availability of statistics and information by gender and in some cases the development and publication of new instruments and surveys. Some problem areas still remain, particularly with respect to information on earnings and income by gender (for example in Austria) and these gaps in information are not always identified in the Nap's as areas where action is required.

### **3.6. Assessment of the priority attached to gender equality**

The fourth pillar has tended to be the least developed section of the NAP in many countries. In some case this reflects greater attention paid to gender mainstreaming under the other pillars; in others, however, the overall focus on gender equality within the NAP is

weak. The tight space restrictions on the presentation of the NAP this year has been identified as a possible cause of a relatively short and unelaborated fourth pillar, leading in some cases to the omission of policies which have been announced or implemented which would be of direct relevance to the NAP. More serious factors may underline the still continued tendency to pay relatively less attention to the fourth pillar. For some countries there is still a failure to identify the links between the fourth pillar and the overall employment strategy; for others there is evidence of a complacency and self-satisfaction with what has already been achieved. This applies to countries which do not have very strong record on gender equality; for example Spain made more effort to develop pillar 4 in the 1999 NAP and appears to consider that they have already dealt with the issues of gender equality. Similarly the UK and the Netherlands present a very rosy picture of the situation for women in their respective countries, implying that there is little need for very proactive policies especially in integrating women into employment. The involvement of women in short hours jobs is only considered positively.

Only a minority of countries provide a detailed budget for the NAP and where they do the share attributed to the fourth pillar is universally tiny, although increasing in some cases. However Belgium provides an example of widely fluctuating budget estimates for pillar 4 between the 1999 NAP and the 2000 NAP, casting doubt upon the quality of the budgetary information presented. Moreover if gender issues are to be mainstreamed the concept of separate budgets does become complex. However, even if all these issues are taken into account, there can be no doubt that spending on equal opportunities issues at least compared to spending on active labour market policies is very small. Investment in childcare infrastructure perhaps represents one of the most important new areas of expenditure by governments and is also linked to tangible targets on increased numbers of places in many cases.

Other problems identified in some cases with respect to the measures outlined in pillar 4 is that there is a tendency towards vagueness and a lack of clarity over which parties are responsible for implementing the measures and providing the budget line. We have already noted that this vagueness causes problems for evaluation of the Nap's from a gender equality perspective. It also reflects the fact that governments are less happy with adopting responsibilities for policies to change employment practice within enterprises and such measures are necessary if either the gender pay gap or gender segregation are going to be seriously addressed.

The priority attached to equal opportunities issues in the Nap's to some extent reflects the priorities attached to other issues. In two countries in particular –Italy and Ireland - the commitment to gender equality is overshadowed by the primary stated objective of the NAP, in the case of Italy to address regional differences and in the case of Ireland to reduce long term unemployment. There is little that is incompatible with gender equality issues in the Italian case as southern women have the highest unemployment rate of all and special measures to help them are really urgently needed. In the case of Ireland the limitation of the definition of the long term unemployed to benefit claimants does introduce a significant element of gender bias into the overall objectives of the plan. While there are differences between countries in the priority accorded to equal opportunities there are also differences within countries between the leading actors; in some case the government tends to be taking a lead with the social partners lagging very far behind- as is the case in Germany- while in others, such as Spain the social partners are pressing for more measures on equal opportunities. In other cases still there are major differences between national or federal governments and regional governments. France perhaps stands out as having adopted a more integrated approach involving national and local actors and involving both government direct action and new bills to promote equality bargaining among the social partners.

#### **4. FUTURE PROSPECTS AND FUTURE PRIORITIES**

The overall verdict concerning the development of both the gender mainstreaming and the gender equality approach within the National Action Plans must be considered positive. However, the verdicts are strongly differentiated by country. Spain stands out as having made least progress, both in the policies included in the NAP and in its general policy programme with respect to gender equality. The Netherlands and the UK must also be identified as the two countries where there is least evidence of development of gender analysis within the NAP, although both countries have done more than Spain in practice to develop new initiatives with implications, both direct and indirect, for gender equality over the time period.

There is also mixed evidence of the extent to which developments and change are related to the Luxembourg process or to other processes often internal to the country

concerned. Austria, France, Italy, Greece and Luxembourg perhaps stand out as the countries where the development of an interest in gender mainstreaming is related most closely to the Luxembourg process and to the influence of European Commission recommendations on internal policy agendas. In Austria much of the influence came from the fact that Austria held the presidency when the introduction of gender mainstreaming into the guidelines was agreed. There is still a legacy of this effect in the current Austrian NAP although the mechanisms for developing mainstreaming within the federal government have been largely disbanded. Internal politics, therefore, always have the potential to reverse these influences from the European guidelines. On the other hand, even though national politics are identified as important factors in the development of new approaches to gender equality in the cases of Germany, the UK and Portugal, it is no doubt the case that the existence of the Luxembourg process and indeed the post-Beijing follow-up has helped to put gender equality on the agenda within member states. Similarly, although it would be inappropriate to see gender mainstreaming in the Nordic countries to be a result of the Luxembourg process, as these countries had already taken steps along these lines before the adoption of the European employment strategy, nevertheless, the inclusion of the mainstreaming guideline is unquestionably helpful in maintaining internal momentum.

Nevertheless, while we have come a long way, we still have a long way to go; gender mainstreaming is a long-term process and objective and as such there are always new areas and policies to be tackled. Almost all the experts involved in the research emphasised the need for more and better gender monitoring and gender impact assessment. There are also calls for better feedback loops from assessment to policy modification. On the gender equality front the issues are partly country specific, with some countries still needing to integrate gender issues more effectively into its active labour market policies, while in other countries the issues that remain to be addressed relate more to segregation, particularly vertical segregation, and pay. In general there is a need for more active measures related to pillar III to change the organisation of work, working hours and wages at the enterprise level to enable greater equality within work and not simply equality in access to work, without attention to work quality. While there has been a major push towards new developments in childcare and in flexible leave arrangements there is still the need for further extension of the care infrastructure, and for more attention to be paid to elder care provision. Leave arrangements need to involve compensation elements as well as specific measures for fathers if there is to be an increase in male take-up rates. There is general agreement that there is still too little attention paid to changing male behaviour and one novel suggestion is

that future Nap's should also monitor men's 'family deficits', as well as women's labour market deficits as a means of calling attention to the two-sided nature of gender mainstreaming.

The priorities identified for the next stage of the Nap's are consistent with the current set of guidelines. However, if the impetus towards gender mainstreaming is to be both more widespread and sustained, there may need to be reforms and additions to the guidelines to reinforce the process. A desirable change would be to end the practice in some Nap's, of relegating gender mainstreaming to the fourth pillar, instead of stating within the text of the first three pillars how gender mainstreaming has been implemented. There also needs to be a more specific requirement for gender impact assessments and evaluations to be carried out for each guideline. These requirements should also be extended to the social partners who take the main responsibility for many measures under the adaptability pillar. The need for gender mainstreaming perhaps has to be underlined by making it clear to Member States the gender implications of each guideline: for example the gender mix within the social economy on the one hand and the information society on the other needs to be considered and addressed; taxation and benefit systems need to be identified as almost always having clear gender impacts because of the use of household-based assessments on the one hand and differences in male and female participation and employment patterns on the other. Similarly Member States need to be reminded of the impossibility of separating out modernisation of work and working time arrangements under the adaptability pillar from policies to desegregate the labour market or to reconcile work and family life under pillar four.

Another need is for a reassessment of the indicators adopted for evaluation of the employment strategy. First Member States are allowed to select their own definitions of unemployment, even though different definitions have different implications for gender equality. This practice is clearly at odds with the principle of gender mainstreaming. Secondly, the Lisbon summit has provided employment targets, overall and for women specifically which are couched solely in headcount terms. The use of these data overstates the integration of women into employment. Given the diversity of practices with respect to working hours across countries, it may not be appropriate in the short term to set a target in full-time equivalent terms, there needs to be much more attention paid to the gender gap in employment rates measured on a full-time equivalent basis. Finally the guidelines in pillar four need to be strengthened and expanded, in particular to focus on working hours or more specifically the gender hours gap, to strengthen the desegregation objective by focusing

specifically on issues of vertical segregation and to include a more specific commitment to move towards a more equal sharing of care work between men and women.

Figure 1. Ranking of member states by employment gap 1999, headcount

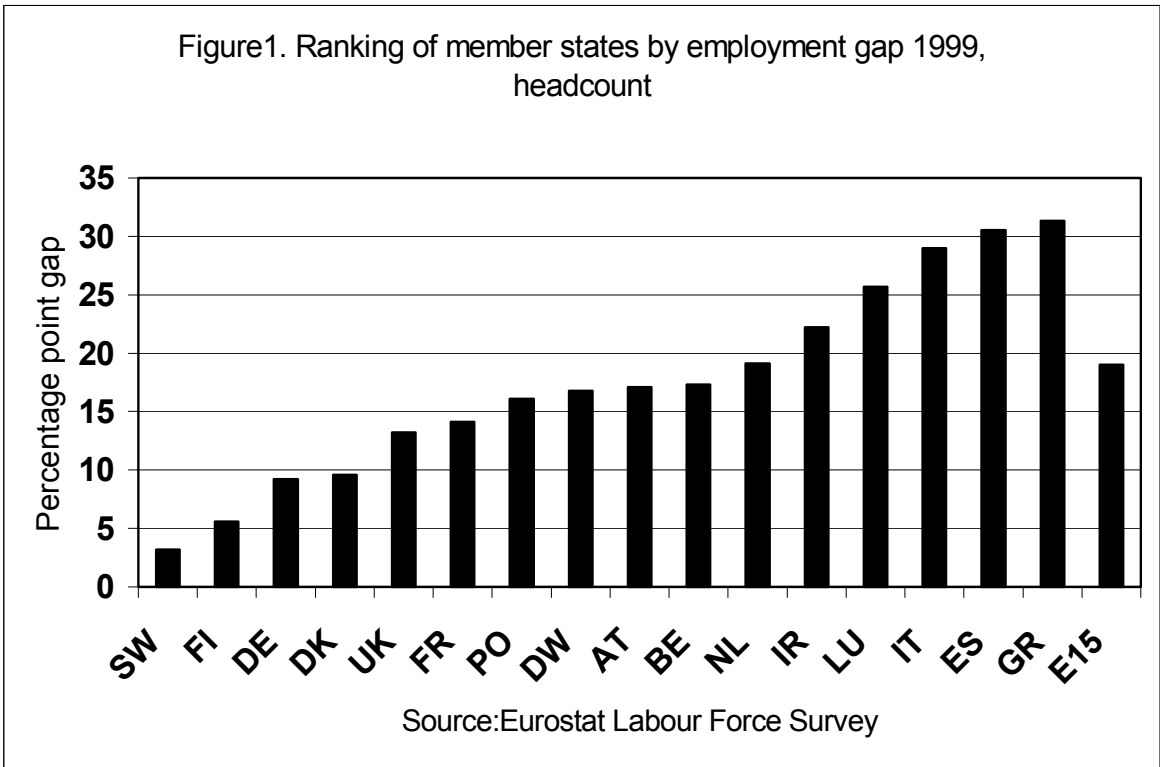


Figure 2. Ranking of member states by full time equivalent, 1999

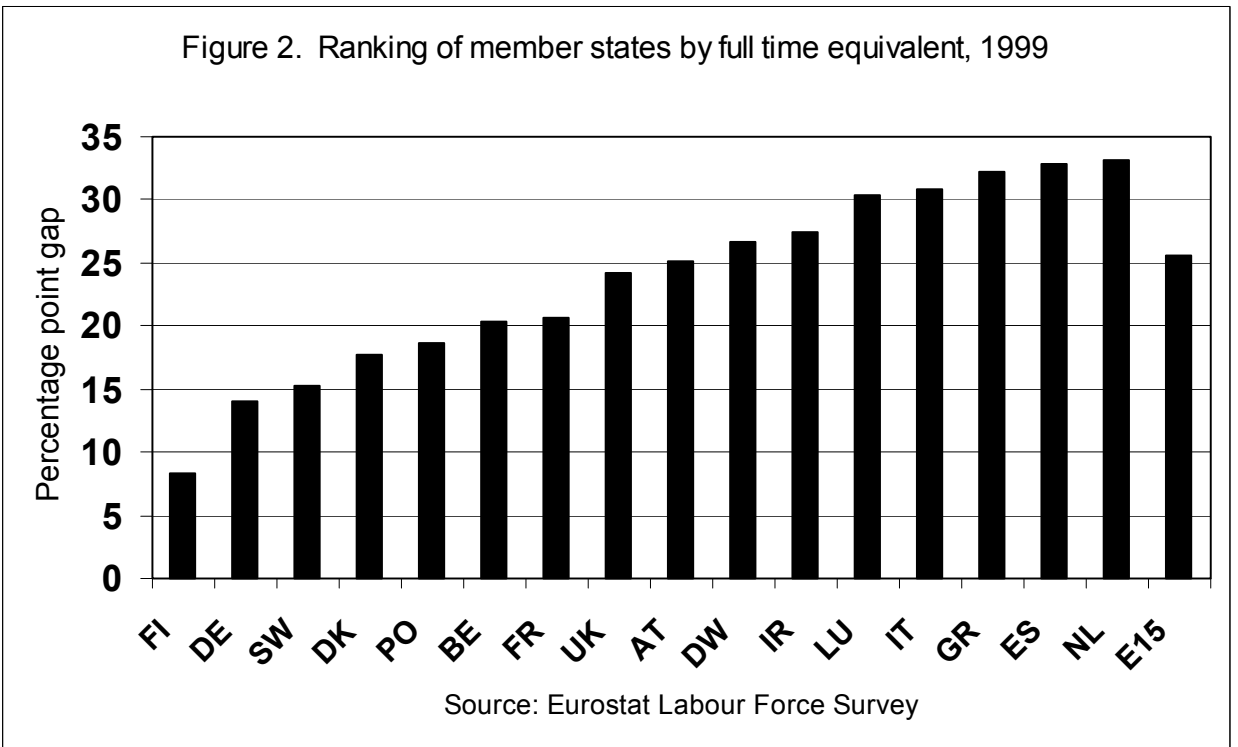
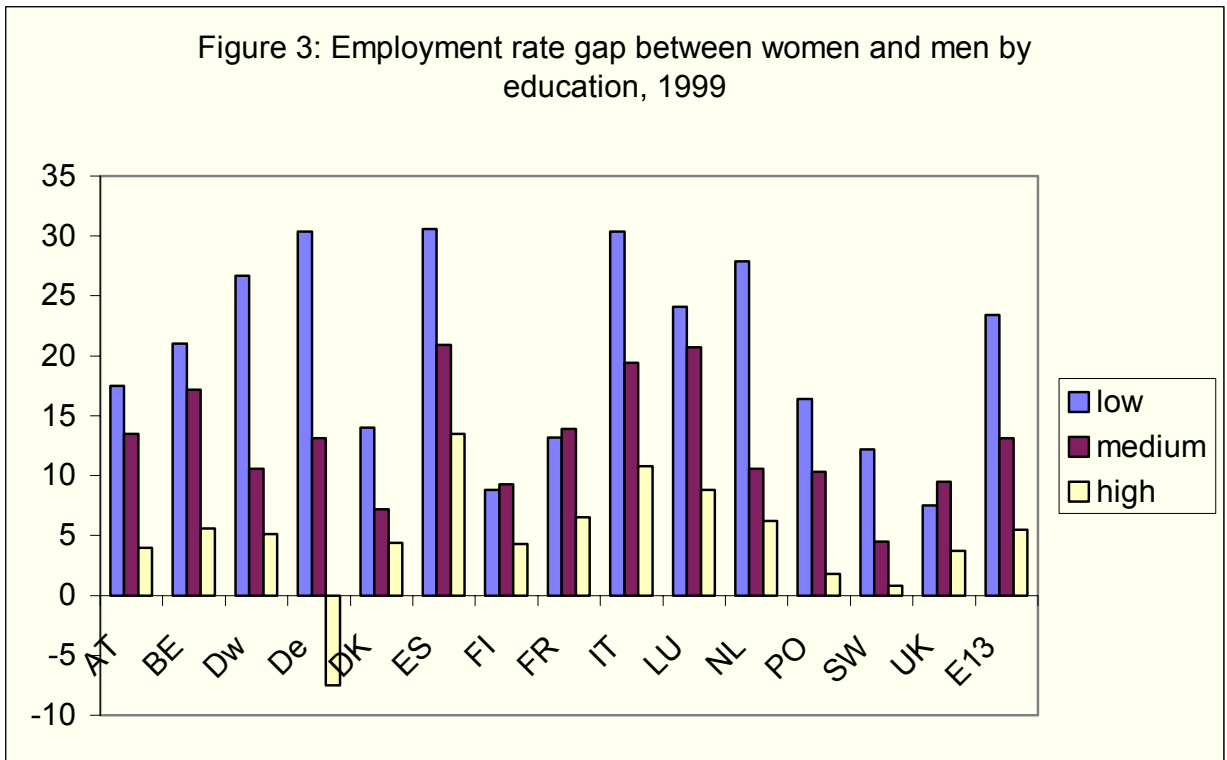
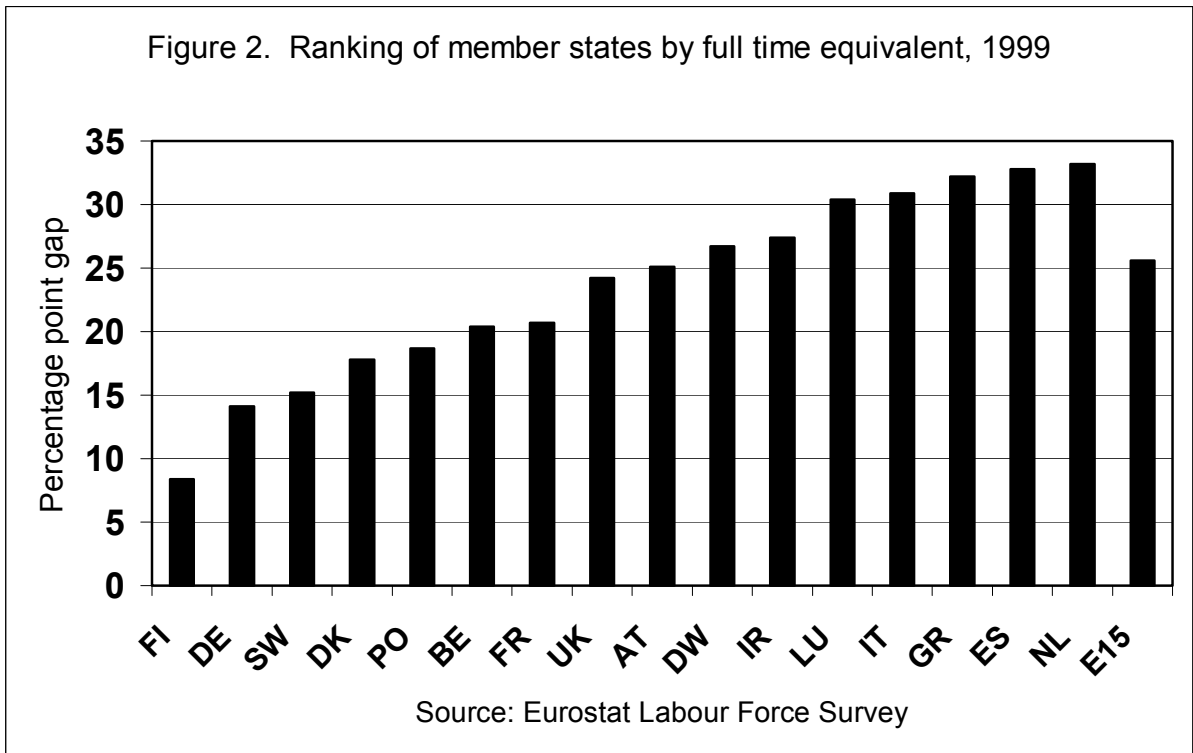


Figure 3: Employment rate gap between women and men by education, 1999

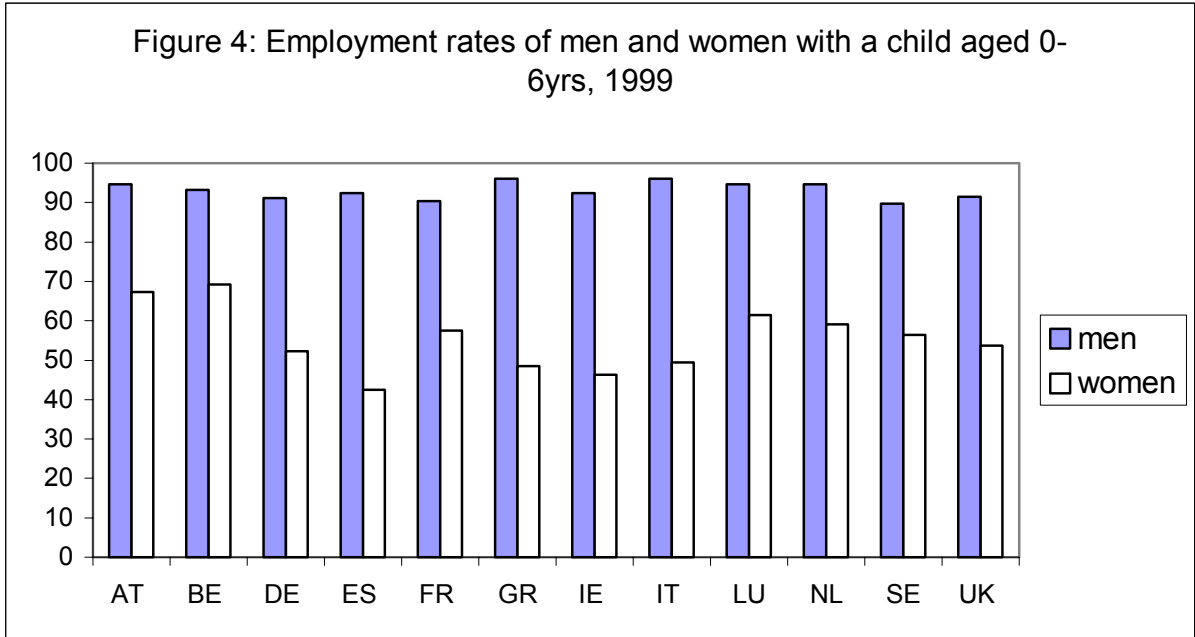


Source: Eurostat Labour Force Survey

Figure 2. Ranking of member states by full time equivalent, 1999



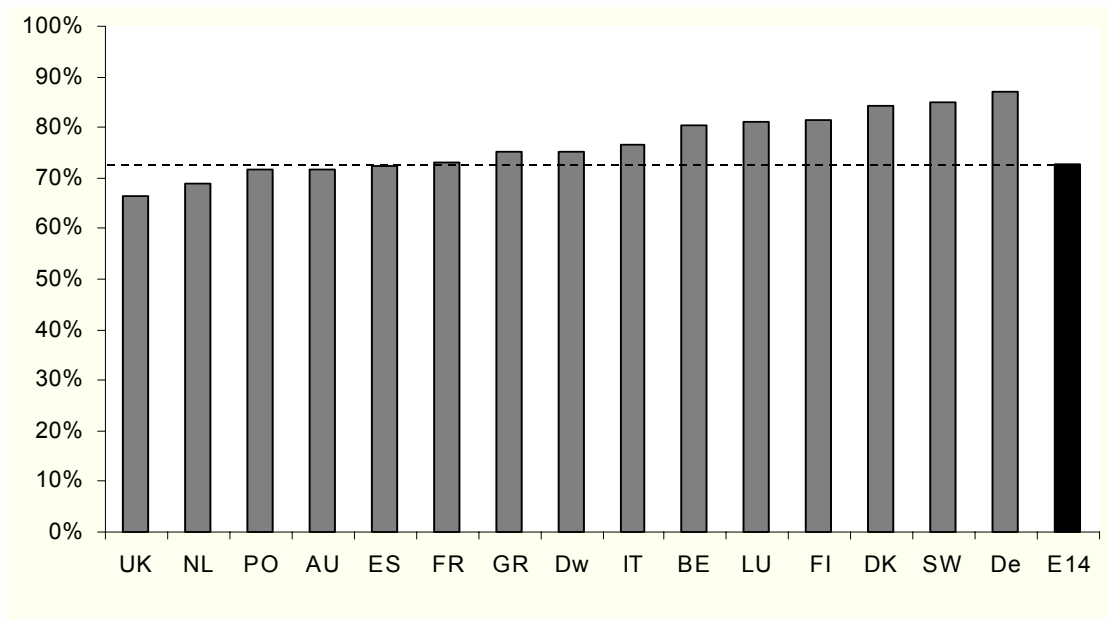
Source: Eurostat Labour Force Survey

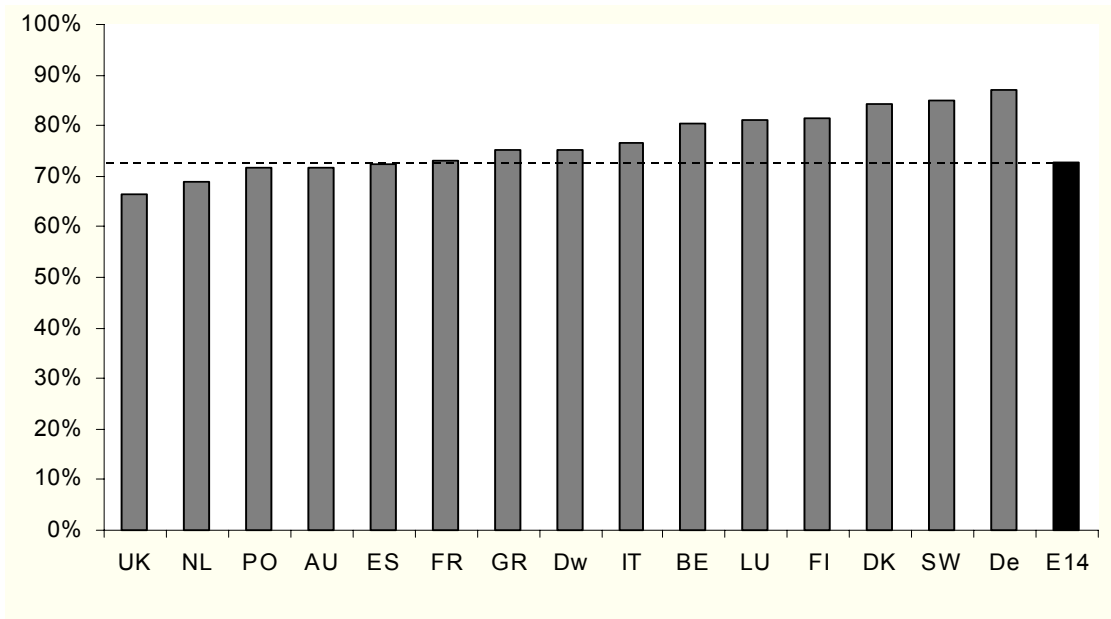


Source: Eurostat Labour Force Survey

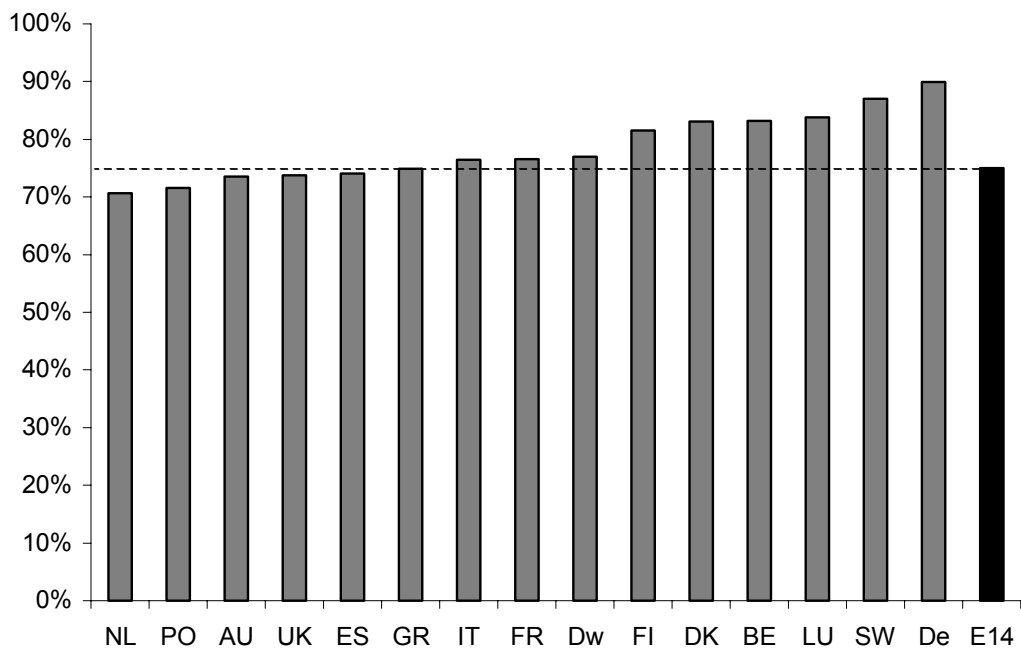
Figure 5. Gender pay gap, 1995

(a) all workers





**(b) full-time workers**



*Note: gross hourly earnings data, overtime included. No data for Ireland.  
Source: SES 1995*

# **BUILDING A EUROPEAN NETWORK OF WOMEN'S BUDGET GROUPS: COMMONWEALTH EXPERIENCE**

**Ranee Jayamaha and Guy Hewitt**

## **INTRODUCTION**

The introduction of public sector reform and public expenditure management programmes assists governments to implement sustainable economic policies. There are, however, concerns being raised by Commonwealth Ministers Responsible for Women's Affairs, among others, over the absence of gender analysis within economic policy making. The Commonwealth Gender Budget Initiative is emerging as a critical component of a wider strategy among inter-governmental, multilateral, and other developmental agencies to assist governments in integrating a gender analysis in the formulation of their economic policies.

### **1. JUSTIFICATION AND RATIONALE**

The **1995 Commonwealth Plan of Action on Gender and Development** advocates the systematic integration of a gender perspective into the mainstream activities of governments and urges a more equitable distribution of resources, sharing of power and decision-making responsibilities between women and men. Commonwealth Heads of Government in Auckland in 1995 endorsed the Plan of Action, along with an Update in Durban in 1999.

The integration of a gender perspective into macroeconomic policies is one of the major thrusts of both the Beijing Platform for Action and the Commonwealth Plan of Action. To achieve this goal, the 1996 Meeting of Commonwealth Ministers Responsible

for Women's Affairs mandated the Commonwealth Secretariat to develop and implement a gender budget initiative programme. The Meeting of Commonwealth Ministers Responsible for Women's Affairs in India in early 2000, having reviewed the results of the country pilots, encouraged governments to integrate, where appropriate, a gender analysis into the national budgetary process. In addition, they requested that Commonwealth Ministers of Finance, at their 2000 meeting in Malta, endorse this initiative.

As the prelude to take the initiative forward, a pilot programme was designed and implemented in South Africa, Sri Lanka, Barbados, St Kitts and Nevis and Fiji Islands.<sup>13</sup> This paper is intended to brief on the process and general outcomes of the initiative, and on the Commonwealth Secretariat's plans for the way forward.

## **2. WHAT IS A GENDER BUDGET INITIATIVE?**

Although gender budget initiatives have been in existence for the last 15 years, beginning with the pioneering work of Australia, they have become more widespread since the Fourth UN World Conference on Women held in Beijing in 1995. Gender budget initiatives are underway in 21 countries, 18 of them being Commonwealth countries.

The Commonwealth Gender Budget Initiative is a methodology and set of tools designed to facilitate the application of a gender analysis to the formulation of government budgets and allocation of budgetary resources. The objective of this Initiative is to enhance gender awareness in fiscal policy-making and to provide a mechanism for determining the policy and resource allocation impact on women, men, girls and boys. It is important to emphasise that the Initiative is not a separate budget (with additional work or procedures), nor a strategy to deliberately increase government spending on social programmes, but an instrument to enhance efficiency in utilising and targeting available budgetary resources.

The Initiative currently focuses on the analysis of policies and public expenditure. The policy decisions relating to fiscal management and priority concerns are reviewed within the context of sectoral, line ministry or programme budgeting. Gender gaps that

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<sup>13</sup> Commonwealth Secretariat support for the Gender Budget Initiative in Fiji Islands has been postponed in light of its suspension from the councils of the Commonwealth.

have been created within different policy scenarios will be identified and their impacts will be assessed through expenditure allocation procedures.

The separation and examination of expenditures fall into three categories:

(a) **gender specific expenditures** – these consist of allocations to programmes that are specifically targeted to groups of women, men, boys or girls, for example, women’s health programmes;

(b) **expenditures that promote gender equity within the public service** – these consist of 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;

(c) **general or mainstream expenditures** – these consist of allocations that are not covered in the two categories above, (a) and (b). The analysis focuses on the differential impact of the allocations on women and men, boys and girls. This category of expenditures is also critical because, in general, more than 95 per cent of government expenditure falls into this category.

### **3. FROM STRATEGY TO ACTION: THE PILOT PROCESS**

In introducing this Initiative in the pilot countries, a team from the Commonwealth Secretariat visited each country to consult with senior officials of the Ministries of Finance, Planning and Women's Affairs as well as other relevant ministries and civil society groups. This consultative process shapes the scope of the project, implementation procedures and the type of technical assistance required. A project implementation plan is developed after taking into consideration these main parameters. The Minister of Finance and/or Cabinet normally endorses the Plan.

The incorporation of gender issues in public expenditure requires simultaneous actions at three levels: (i) the use of gender disaggregated data; (ii) the application of tools such as a gender-aware policy appraisal, gender-disaggregated public expenditure incidence analysis, a gender-aware medium-term economic policy framework, and a gender-aware budget statement; and (iii) strengthening dialogue on policy formulation and expenditure allocations between Ministries.

Based upon the government's assessment of the gender impact of the budget, different ministries identify and develop corrective measures to address any existing or potential inequalities.

The process of applying a gender analysis to government budgets takes time. Unlike in many other projects, determining the gender impact of the budgetary process requires both hard work and perseverance. We have found that the first round of analysis usually reveals little more than knowledge and findings are very tentative due to lack of consistent data and information. In the second round and more towards the medium term, achievements seem to lie largely in the changes to the processes and procedures. At this stage, it is critical to have firmer gender-disaggregated data and thorough analysis on impacts. Getting the Ministry of Finance officials to accept findings and gender impact analyses is not an easy task but, if this can be achieved on the strength of sound technical analyses rather than on sympathetic grounds, the case for taking the initiative forward would be easier. Considerable amount of convincing would be required to enable officials to re-arrange budgetary allocations on a fair basis. This underscores the importance of political support and commitment.

#### **4. OPPORTUNITIES AND CHALLENGES**

Experiences in implementing the Initiative thus far have highlighted a number of opportunities and challenges in integrating a gender analysis into the budgetary process. The section below deals with the opportunities and challenges:

- To be effective, the Initiative needs to be supported by both government officials and civil society. The Ministry of Finance is a critical entry point, but closer collaboration with statistical bureaus, university academia, national women's machinery, parliamentarians and women's organisations would bring more tangible results;

- Given the nature of policy and decision-making of budgets, the challenge is to maintain long-term sustainability and that would depend on the level of political support;
- Raising awareness amongst government departments about the budget's differential impact on women and men and generating an information flow of how departments spend money would be important;
- Strengthening the capacity of government to utilise gender-disaggregated data for budgetary analysis and decision-making is a challenge;
- Given the trends toward decentralisation and women's increased access to decision making at the local level (despite the availability of limited resources), gender budget initiatives at the provincial and local levels are required for national sustainability;
- Strengthening the mainstream budgetary process by identifying important gender gaps in the budgetary policy formulation and in resource allocation and making a commitment to address relevant issues would lead to more efficient and fair allocation of limited resources;
- Investigating opportunities for external support for training and capacity building is important during the initial stages of implementation. However, there needs to be an overall local ownership – preferably by governments and non-governmental actors – of the process;
- Demonstrating the concrete and practical nature of applying a gender analysis to government budgets was important for securing political and government official support; and
- Developing popular technical materials to make the tools and methodology accessible to a wider audience.

## **5. ACTIONS FOR THE FUTURE AND CONCLUSION**

The Commonwealth Secretariat is planning a comprehensive evaluation of the Commonwealth Gender Budget Initiatives to identify the strengths and limitations of the existing methodology, tools and capacity building strategy. This would enable the Secretariat to fine-tune the programme as a precursor to its wider implementation:

- Assisting Commonwealth governments to implement the Gender Budget Initiative, in collaboration with other multilateral and bilateral agencies working in this area and subject to availability of resources.
- Examining the linkages between the Gender Budget Initiative, governance and broader macroeconomic policies such as trade, financial sector reform, debt management, structural adjustment and poverty alleviation.
- The Commonwealth Gender Budget Initiative can contribute directly to improving the efficiency of resource allocation and to the strengthening of economic governance through the provision of a framework that enhances accountability, transparency and participation. It may also contribute to enhancing transparency and, therefore, combating corruption in the process of formulating government policies. The Initiative is a significant first step in a larger strategy to integrate a gender perspective into economic policies, a central component of the Commonwealth Plan of Action on Gender and Development and the Commonwealth's vision of gender equality.