Fiscal Policies and Gender Equality

Lisa Kolovich, Editor

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Foreword

The International Monetary Fund is deeply committed to playing its role in building a global economy that benefits all people—through policy advice, capacity development, and financial support. While not long ago few people would have expected the IMF to be engaged in work on gender inequality, the IMF is now committed to promoting gender equality because empowering women is not only the right moral choice, it is also critical for economic growth and prosperity.

Our work includes assessing the impact of gender inequality on macroeconomic outcomes, inclusive growth, and development. Working with country authorities, academics, and other international organizations, over the past few years the IMF has contributed to building a solid analytical foundation. For example, we have explored the ways in which empowering women can raise GDP growth. In low-income countries, for instance, a 10 percentage point decrease in gender inequality could boost growth by 2 percentage points over the following five years. Women's empowerment can also support economic diversification, help economies cope with demographic change, tackle income inequality, and boost corporate performance. We have assessed the macroeconomic benefits of removing legal barriers that currently restrict women's economic participation in 90 percent of countries around the world. We have also identified policies to get more women into paid, formal work. These include investing in education and infrastructure, supporting family-friendly working practices, and reforming tax systems.

Our work does not stop with research and analysis. We are actively incorporating gender analysis and specific policy advice into our annual reviews of member countries' economies. To date, we have completed gender studies for 27 countries, with more to come. For India, we recommended investing in transportation to ease workers' transition from informal to formal employment. We emphasized the economic benefits of investing in girls' education for Chile, Costa Rica, Hungary, and Pakistan, among others. For Germany, we highlighted the need for high-quality and affordable childcare, and we called for tax reforms to avoid penalizing secondary earners—usually women. For Mauritius, we examined ways to expand women's access to finance, which can help them start or expand small businesses. Importantly, in IMF-supported lending programs—including in Jordan, Egypt, and Niger—we increasingly emphasize women's economic empowerment and participation. In Egypt, for instance, our program supports improved provision of childcare, as well as safer public transport.

Clearly, sound fiscal policies are a prerequisite for macroeconomic stability—which is essential to boost growth, jobs, and income for all. At the same time, fiscal policy must be actively shaped to achieve gender equality goals—an approach referred to as "gender budgeting." In 2016, the IMF, in partnership with the United Kingdom's Department for International Development (DFID), completed the first-ever global review of gender budgeting efforts. Building upon this survey, we began to emphasize the potential of gender budgeting, and we offer technical assistance to help member countries implement initiatives to use fiscal policy and public financial management to promote gender equality. This book builds on the findings of the 2016 IMF–DFID survey to provide a snapshot of such initiatives around the globe. Work on fiscal policy and gender is increasingly relevant as the global community seeks to achieve specific targets under the Sustainable Development Goals.

Though we still have a long way to go before gender equality and its economic potential are fully realized, through our research and policy advice, we are contributing to the global effort to get us there.

Christine Lagarde
Managing Director
International Monetary Fund

Acknowledgments

This book explores how fiscal policies can contribute to addressing women's and girls' disadvantages in education, health, employment, and financial well-being, and represents the efforts of a team of researchers from a joint collaboration between the International Monetary Fund and the United Kingdom's Department for International Development (DFID). A series of working papers and toolkit were developed, and versions of these papers were presented and discussed at an IMF conference in November 2016. That conference convened about 150 practitioners, academics, policymakers, and civil society representatives to discuss how fiscal policies can contribute to gender equality, with a focus on low-income countries. The participants examined evidence-based design of fiscal policies to promote equality and practical aspects of implementing gender budgeting.

The IMF acknowledges the contribution of Janet Stotsky to the IMF's work on gender budgeting under the DFID-sponsored research project. Dr. Stotsky, currently Economist in Residence at American University, was an economist and manager with the IMF for 21 years. She led IMF teams to negotiate with IMF member countries, prepare country reports on macroeconomic developments, and provide technical assistance on fiscal policies and administration.

The following IMF staff members and outside experts provided helpful discussion and comments throughout this project: Virginia Alonso Albarran, Andrew Berg, Mark Blackden, Rupa Duttagupta, Diane Elson, Manal Fouad, Caren Grown, Zohra Khan, Stephan Klasen, Kalpana Kochhar, Prakash Loungani, Monique Newiak, Chris Papageorgiou, Carolina Renteria Rodriguez, Sakina Shibuya, Alberto Soler, and Daria Zakharova.

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CHAPTER 1

Overview

LISA KOLOVICH

Historically, women around the world have had less opportunity than men in education, employment, and health care, and less political representation. Many global gender gaps have narrowed in recent decades, particularly in education enrollment. Even so, the World Economic Forum estimates that at the current rate of progress it will take 170 years to close the overall global gender gap in economic participation and opportunity.[1] One hundred and seventy years. With a prognosis so dire, eliminating gender disparities may seem daunting and perhaps even impossible.

The moral argument for gender equality is clear, nonetheless, and the economic evidence for its benefits is mounting. Eliminating gender inequalities can increase female economic participation, boost economic growth, and improve health outcomes for women and children (see for example, Cuberes and Teignier 2014; Klasen and Lamanna 2009; World Bank 2011; and Knowles and others 2002). King and Hill (1991) find that large gender disparities in education reduce gross national product. In countries where the female-to-male school-enrollment ratio is lower than 0.75, gross national product is approximately 25 percent lower than in countries with greater gender parity in education. Klasen and Lamanna (2009) show that gender gaps in education had a negative impact on economic growth in the 1990s. Agenor and Canuto (2015) examine how increasing investment in infrastructure reduces the time women spend on unpaid work, which ultimately leads to economic growth.

The International Monetary Fund and other international institutions have focused in recent years on developing a range of approaches to help whittle away at the barriers that prevent girls and women from achieving their full economic potential. As part of this effort, the IMF began in 2015 to integrate analysis of

[1]The 2016 World Economic Forum Global Gender Gap Index consists of four subindices—Economic Opportunity and Participation, Educational Attainment, Health and Survival, and Political Empowerment—and notes that while gaps in education and political empowerment have improved, challenges remain in economic opportunity and health outcomes. In fact, in 2016 the economic gender gap returned to its 2008 level, and the time it will take to close the gender gap in health outcomes is still undefined.

Box 1.1. What Is Gender Budgeting?

Gender budgeting allows fiscal authorities to ensure that tax and spending policies and/or public financial management instruments address gender inequality and the advancement of women in areas such as education, health, and economic empowerment (Budlender and Hewitt 2003; Budlender and Sharp 1998; Elson 2003; Stotsky 2006, 2016; IMF 2017). The approach is sometimes called gender-sensitive or gender-responsive budgeting.

If well designed, such budgeting can improve the efficiency and equity of the overall budget process. Fiscal authorities at any level of government can assess the needs of boys and girls and men and women; identify key outcomes or goals; plan, allocate, and distribute public funds; and monitor and evaluate achievements. While gender budgeting initiatives around the world have tended to focus on expenditure policies, revenue policies also influence gender equality and should therefore be considered part of gender budgeting.

gender equality into its regular consultations with member country authorities. These analyses covered macroeconomic and labor market policies, including the impact of female labor force participation on productivity and growth, gender gaps in financial inclusion, and legal barriers to women's economic participation, among others. The effort has covered some 30 countries spanning all geographic regions and included advanced, emerging market, and low-income and developing economies.

Among the findings are that several policies can promote gender equality. These include expanding affordable childcare initiatives, improving infrastructure, using fiscal policy to promote female labor force participation, and allowing for more flexible work hours and improved labor mobility. They also include investing in female education and training, greater access for women to financial services, and reducing legal barriers to women's economic activity.

One way to gauge progress in closing gender gaps is to examine such measures as educational enrollment, maternal mortality, labor force participation, and indices of overall inequality. Gender inequalities in these areas can harm overall economic growth, as shown in recent analytical and country-specific work at the IMF. Promisingly, though, national and subnational policy measures exist to help reduce these gender disparities. Fiscal policy is one such lever, particularly *gender budgeting*—planning, allocating, and monitoring government expenditures and taxes to address gender inequality—which has been demonstrated to reduce gender disparities[2] (Box 1.1).

This book is based on a joint research project between the IMF and the United Kingdom's Department for International Development on gender budgeting around the world. The research team relied on published materials, developed a questionnaire sent to the ministries of finance of all 189 IMF member countries, and conducted interviews with country officials and international organizations

[2]See Stotsky and Zaman (2016).

that offer technical assistance to countries seeking to implement gender budgeting. The papers were the focus of a 2016 international conference on gender budgeting at IMF headquarters in Washington, DC. This book presents the key findings of this work.

GENDER GAPS ARE SHRINKING, BUT PROGRESS IS UNEVEN

Between 1980 and 2015, gender gaps in primary school enrollment have largely closed across all regions of the globe and at all levels of development. Progress has been made in reducing gaps in secondary school enrollment (Figure 1.1a).[3] Asia and the Pacific now have gender parity in secondary education, which is particularly impressive given that just 65 females were enrolled for every 100 males in the region in the early 1980s. In Africa and in the Middle East and Central Asia, about 35 more girls are now enrolled in secondary education per 100 boys than in the early 1980s.

Women's access to health care has also improved in recent decades. One measure of that improvement is the consistent decline in maternal mortality rates in all regions. In fact, maternal mortality rates in low-income and developing countries in Asia and the Pacific and the Middle East and Central Asia have been cut by half since the late 1980s (Figure 1.1b). Low-income and developing economies still have maternal mortality rates far higher than those in advanced markets, with the highest rates in sub-Saharan Africa.

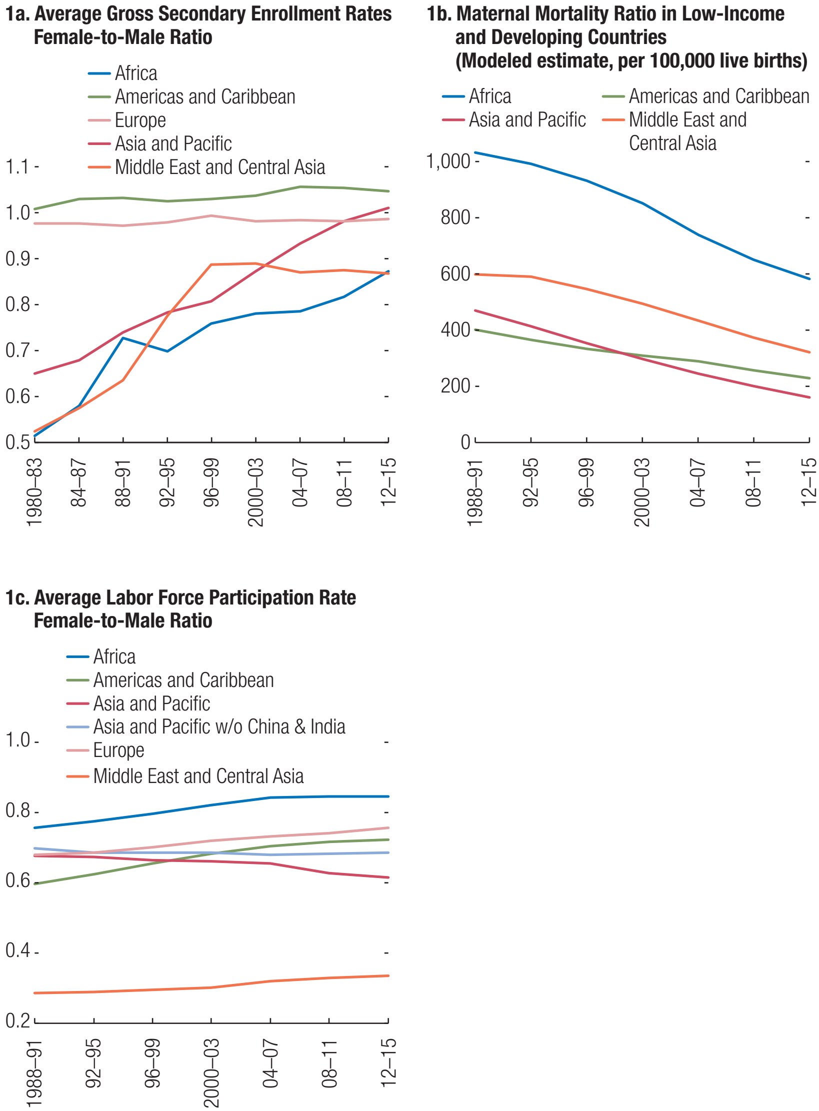
Gender gaps in labor force participation rates in most regions of the world are still sizable (Figure 1.1c). In Asia and the Pacific, the female-to-male ratio declined from 68 females per 100 males in the early 1980s to 61 by 2012–15, driven in part by trends in India and to a lesser extent in China. In other regions, the gender gaps in employment have narrowed somewhat, but some of this is due to decreasing male labor force participation rates. In Europe, for example, average male labor force participation was 5 percentage points lower in 2012–15 than it was in 1988–91, while average female participation increased by a little over 1 percentage point over the same period.

FISCAL POLICIES CAN HELP ADDRESS GENDER INEQUALITY

Government budgets and fiscal measures can play an important role in promoting women's development and gender equality. Originating in Australia in the mid-1980s, gender budgeting spread to Canada, South Africa, and the United

[3]The chapter data reflect IMF regional classifications—sub-Saharan Africa, Americas and the Caribbean, Asia and the Pacific, Europe, and Middle East and Central Asia—and the IMF classification for low-income and developing economies (see IMF 2014 and Stotsky and others 2016 for more details).

Figure 1.1. Trends in Gender Inequality



Sources: World Bank, World Development Indicators, and IMF staff estimates.

Kingdom by the mid-1990s, and has now been applied at varying levels of complexity and diversity in more than 80 countries.

Gender budgeting has targeted a wide variety of goals, including increasing access to education, childcare, and health services; raising female labor force participation; and eradicating violence against women. Gender budgeting initiatives have been supported by several multinational institutions—UN Women, the Commonwealth Secretariat, and the World Bank—and by civil society institutions and bilateral donors. The Commonwealth Secretariat sponsored some of the earliest pilot projects in gender budgeting, and in recent years UN Women has taken a leading role in expanding gender budgeting globally.

This book summarizes some of the most prominent gender budgeting efforts in more than 80 countries over the past two decades. The cases covered here met at least one of the following criteria: (1) legislative bodies, the ministry of finance or the ministry of women, civil society, and/or outside development agencies played a central role in designing, implementing, and/or promoting gender budgeting, particularly when compared with the rest of the countries in the same region; (2) the countries chosen have been engaged in gender budgeting for longer than their regional peers; or (3) the initiatives introduced innovative aspects to gender budgeting relative to their regional peers. Note, however, that for most of these countries, gender budgeting did not begin in earnest until the late 1990s or early 2000s. Based on these criteria, we identified 23 countries with “prominent” gender budgeting efforts and 36 countries with “less prominent” efforts.

FINDINGS AND IMPLICATIONS

The analysis of global gender budgeting efforts provides several lessons and potential areas for improvement.[4]

Legal requirements for gender budgeting matter. Providing gender budgeting with legal status helps ensure its continuity when political actors change. Austria, Bolivia, and Rwanda mandate gender budgeting in their constitutions. Furthermore, our survey identified at least 20 countries, such as Belgium, El Salvador, Morocco, and Vietnam, that have incorporated a legal mandate for gender budgeting in the organic budget or other finance laws. More than half of the 23 countries with prominent gender budgeting initiatives have introduced legal mandates for gender budgeting.

The leadership of the ministry of finance is crucial. Our analysis shows that gender budgeting initiatives appear more likely to be sustained if the ministry of finance leads the gender budgeting effort. Note that in 19 of the 23 prominent gender budgeting countries, the ministry of finance has a leadership role. Ministries of finance can promote gender budgeting by including requirements in the budget call circular. In Uganda, for instance, the ministry issued guidelines

[4]See Stotsky 2016 for additional details.

on how the budget should be used for gender-related goals, focusing first on five key ministries, including ministries of education and health.

Civil society, gender and other ministries, parliaments, and academia are also key players. Gender budgeting efforts benefited from high-level champions; for example, in Timor-Leste, the prime minister and parliamentarians were essential in getting various resolutions passed. The United Kingdom's Women's Budget Group started in the 1980s and conducts a thorough annual, gender-sensitive analysis of the budget. In Uganda, a nongovernmental organization led by female members of parliament was a catalyst for the country's gender budgeting efforts in the 1990s. Canada's Alternative Federal Budget is another example of how civil society organizations are working to ensure a gender perspective in fiscal policies.

Gender budgeting goals should be aligned with national gender equality plans or the Sustainable Development Goals. Gender equality goals should be well-defined and achievable within a gender budgeting framework. For instance, one focus for the Marshall Islands was teenage pregnancy. Early on, Morocco and Afghanistan aligned their objectives with the Millennium Development Goals and their own national development plans, thus prioritizing budgetary spending in areas with broad agreement on specific targets to improve women's health care and opportunities for education and paid employment. In Rwanda, the government targeted education and health-related goals, and initial analysis shows that gender budgeting may have sped progress in these areas. In its gender budgeting effort, Albania identified nine gender equality objectives that were closely matched to objectives in its national gender strategy; the country also established budget allocations for these goals.

Gender budgeting has typically focused on expenditures and overlooked taxes, but tax policies are not always gender neutral. Discriminatory tax and financial laws remain in many legal systems, as do legal barriers constraining women's right to work in nearly every country in the Middle East and North Africa (World Bank 2015). The 2016 Women, Business, and the Law report, covering 173 countries, notes that Morocco is one of 16 countries that has tax deductions or credits specific to men: a male taxpayer can claim a dependent deduction for both his spouse and children, but unless a female taxpayer can prove she is a legal guardian, she may not claim the same deduction.

Gender budgeting can be implemented successfully at the national, state, and/or local levels. India, Mexico, and Uganda introduced gender budgeting efforts at national and local levels. In Mexico, the federal government earmarked resources nationally for women's health and economic empowerment programs; locally, Mexico City implemented a program aimed at providing safe public transportation options for women. Uganda's local efforts have focused on gender-aware budget statements and sex-disaggregated analysis of the gender imbalance in unpaid care burdens. "Local budget clubs" also allow citizens to discuss spending priorities and hold governments accountable. India is another example of a country with both national and state initiatives, and as Stotsky and Zaman (2016) show, Indian states with gender budgeting efforts have made more progress on gender equality in primary school enrollment than those without. In both

Germany and Spain, gender budgeting initiatives have been introduced at the local level.

Countries should aim to improve reporting and transparency. Gender budgeting statements can help ensure transparency. Australia, Bangladesh, India, Korea, Morocco, and Nepal have issued various forms of these statements. One of the cornerstones of Morocco's effort is its annual Gender Report, published by the Ministry of Economy and Finance. The report now covers more than 30 departments and ministries and highlights key gender equality goals and recent accomplishments; in addition, some ministries report sectoral- and sex-disaggregated data. This report offers one example of how countries may choose to report progress and spending on gender-related goals.

Few countries monitor and evaluate their gender budgeting efforts or collect gender-disaggregated data. Korea stands out as one country that requires that the government examine the gender impacts of the budget and whether men and women are equally receiving benefits from the budget. In Korea, gender analysis has identified infrastructure needs to reduce the average wait time for women's restrooms and to reduce the time women spend on unpaid work as part of efforts to increase female labor force participation. Uganda introduced a Certificate on Gender and Equity Compliance, issued to ministries, departments, and agencies, to ensure that women's needs are being addressed and met through the budget process. Nepal included time-use statistics in its gender budgeting effort.

Capacity building is needed. UN Women and national aid agencies have provided technical assistance and training over the years, but technical-level staff in many countries would benefit from additional training. For example, a 2015 study in Austria revealed that despite their well-developed gender budgeting framework and commitment to gender equality, budget staff reported that they were not equipped to conduct gender analysis. UN Women in FYR Macedonia is leading a capacity building project for local-level civil society organizations. The Swedish Development Agency is funding the Ukrainian gender budgeting initiative, and a key component is capacity building. The agency recently reported that more than 2,000 technical-level staff have received training in gender budgeting.

LOOKING AHEAD

The IMF will continue its analytical and country research on gender equality, as we know that empowering women can boost economic growth and reduce income inequality. Gender budgeting is one tool governments can use to bridge the gender divide in education, health, and economic opportunities. As part of our involvement with the UN High Level Panel on Women's Economic Empowerment, we are committed to advancing research on gender budgeting.

In addition to the project featured in this book, recent work on gender budgeting includes a policy paper focused on the Group of Seven (G7) countries, policy recommendations in Morocco's 2017 Article IV consultation, capacity building through workshops in IMF regional technical assistance centers, and technical assistance on gender budgeting in Austria, Bahrain, Cambodia, and Ukraine. We will continue to work with member countries to offer policy advice and analysis on sound budgets, strengthening revenues, and public financial management. Finally, we recognize the importance of collaboration, and we will continue building on our partnerships with international organizations and partners, including the World Bank and UN Women.

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CHAPTER 2

Sub-Saharan Africa

Christine Kadama, Lisa Kolovich, Samson Kwalingana, Monique Newiak, Caroline Ntumwa, and Francine Nyankiye

Gender budgeting has advanced considerably in sub-Saharan Africa since the 1990s. South Africa, for example, was one of the earliest adopters of gender budgeting, launching its Women's Budget Initiative in 1995. Almost 30 countries in the region have now introduced some form of gender budgeting, with the most developed and significant initiatives in Rwanda and Uganda.

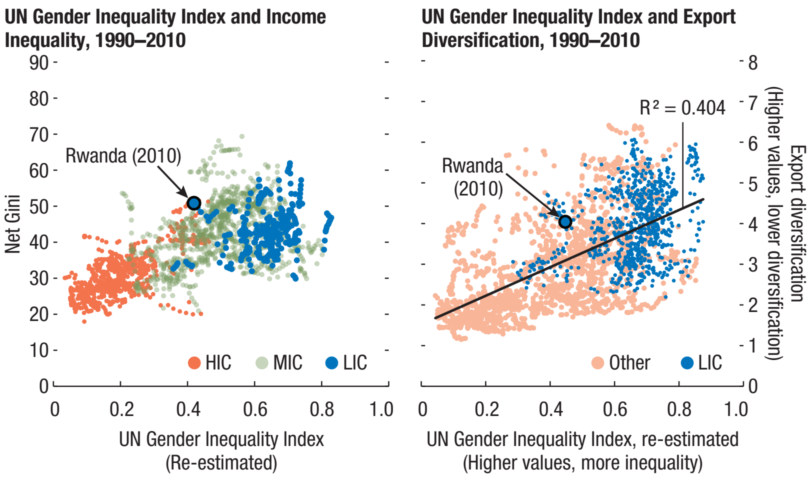
This chapter examines the experience in Rwanda, and to a lesser extent Uganda, for a detailed perspective on countries in the region with impressive success in advancing gender issues.[1] It examines trends and correlations in the two countries in key gender equality indicators as a first step to determining whether gender budgeting improves outcomes in gender equality.

Overall, gender equality could produce big economic gains. Indeed, reducing gender inequality in the labor market and in opportunities in sub-Saharan Africa's low-income countries to the levels observed in five fast-growing East Asian countries[2] could add two-thirds of a percentage point to per capita growth (IMF 2015). And eliminating gender inequality in labor force participation could add up to 11 percent to sub-Saharan Africa's GDP by 2025 (McKinsey & Company 2015). Further, financial inclusion for women would increase the growth-promoting potential of financial services and lower financial stability risks (Sahay and others 2015). Gender inequality is also related to higher income inequality and lower export and output diversification (Gonzales and others 2015; Kazandjian and others 2016) (Figure 2.1). Instead, gender inequality in the labor market alone cost sub-Saharan Africa some 6 percent of GDP annually during 2010–14 (UNDP 2016).

[1]For details on gender budgeting efforts in sub-Saharan Africa, see Stotsky, Kolovich, and Kebhaj (2016).

[2]Indonesia, Malaysia, the Philippines, Thailand, and Vietnam (ASEAN 5). See also Annex 2.1 for a summary of gender budgeting efforts in Rwanda and Uganda.

Figure 2.1. Global Gender Inequality Indicators



Sources: SWIID; United Nations; and authors' estimates.

Sources: United Nations; World Bank, World Development Indicators; and IMF staff calculations.

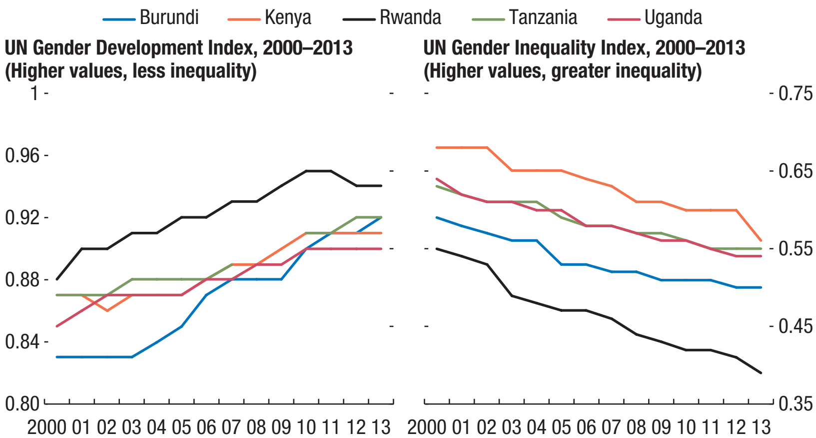
Note: HIC = High-income countries; LIC = low-income countries; MIC = middle-income countries; SWIID = Standardized World Income Inequality Database.

RWANDA

Strong political will to mainstream gender into government programs, underpinned by institutional and policy reforms, has been key to Rwanda's progress in addressing gender inequality. More broadly, the country's socioeconomic outcomes have improved significantly in the past two decades, and it is among sub-Saharan Africa's fastest growing economies. In this, it has emerged as a global leader in women's economic opportunities and endowments, and further advances could yield a significant growth dividend. Crucial developments include:

- Economic growth has averaged 7.6 percent in the 10 years through 2016, and per capita income nearly doubled to \$729 by 2016. Between 2004 and 2014, the poverty rate declined almost 18 percentage points to 39 percent and extreme poverty declined to 16 percent from 40 percent.
- Rwanda's advances in gender equality emerged, in part, as a necessary component of the rebuilding and development strategy from the mid-1990s, as women took on new roles as major actors in society and heads of households. This chapter illustrates that celebrated role.
- Gender equality is an integral component of the development agenda, with advocacy at the highest level.
- The country constantly engages in and supports programs to enhance economic opportunities for women, homegrown solutions to address gender

Figure 2.2. East African Community Gender Inequality Indicators



Source: United Nations Development Programme, *Africa Human Development Report 2016.*

inequality, and an enabling legal framework and supporting institutions—such as a dedicated gender "machinery." This includes the Ministry of Gender and Family Promotion, the Gender Monitoring Office, the National Women's Council, and the Forum for Women Parliamentarians. The provision of gender-disaggregated data has increased (Government of Rwanda 2016), allowing timely assessment of the main indicators.

In parallel, indicators of gender equality have improved significantly (Figure 2.2), and the World Economic Forum's 2016 Gender Gap Index ranks Rwanda first among all low- and middle-income countries in closing the gender gap; the 2017 ranking places Rwanda fourth worldwide.[3] Rwanda also positioned itself as one of only five countries worldwide to have reached a score of more than 80 out of 100 on the Gender Gap Index. Globally, Rwanda also ranks second in the UN's 2015 Gender Development Index and has the lowest gender inequality in sub-Saharan Africa, as measured by the Gender Inequality Index.[4]

[3]The Gender Gap Index benchmarks national gender gaps on economic, education, health, and political criteria, and provides country rankings that allow for effective comparisons across regions and income groups.

[4]The Gender Development Index is based on the sex-disaggregated Human Development Index and is defined as a ratio of the female-to-male index. It measures differences between male and female achievements in health, education, and equitable command over economic resources. The Gender Inequality Index, on the other hand, measures gender-based inequalities on three dimensions: reproductive health, empowerment, and economic activity. Thus, the Gender Inequality Index can be interpreted as the loss in human development due to inequality between female and male achievements in the three given dimensions.

Box 2.1. Institutional Set-up for Gender Equality and Women Advancement

- The Ministry for Gender and Family Promotion is the central government institution mandated to ensure strategic coordination of policy implementation of gender, family, women's empowerment, and children's issues. It plays a leading role in implementing the gender agenda.
- The Gender Monitoring Office's mandate is to effectively monitor gender mainstreaming and trends in gender-based violence in public, private, civil society, and religious institutions.
- The National Women's Council represents the interests of women at all levels of government; disseminates information on laws, policies, and programs to promote gender equality; and builds capacity for gender advocacy.
- The National Gender Cluster is a forum where the government, development partners, private sector, and civil society discuss planning, coordination, and prioritization of gender policies.
- The Forum for Rwandan Women Parliamentarians oversees and advocates for the enactment of gender-sensitive laws.
- Within Rwanda's Ministry of Defense, National Police, National Public Prosecution Authority, and the Gender Monitoring Office, "gender desks" have been established. At local government levels, there is a gender and family promotion officer. At central government ministries and agencies, directors of planning have been designated "gender focal points."

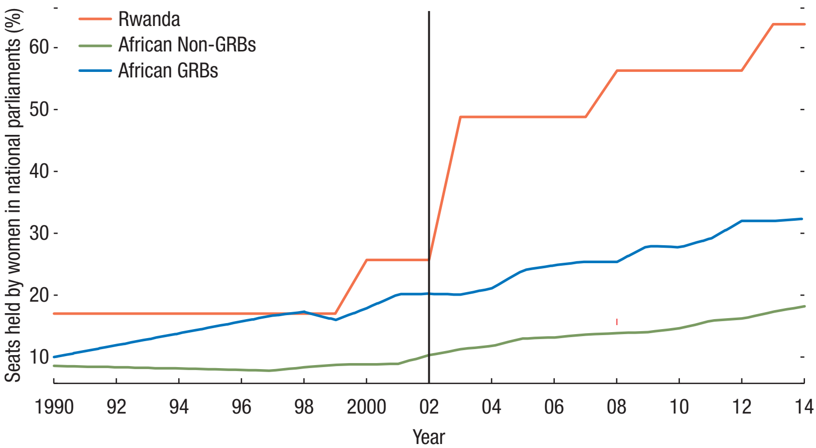
Source: Gender Monitoring Office (2010) and Government of Rwanda (2016).

This section highlights the policy and institutional reforms that have driven the trends in gender equality in Rwanda. The interactions among households, markets, and institutions shape the relationship between economic development and gender equality. In doing so, they ultimately determine gender outcomes (World Bank 2012). Thus, effectively addressing gender gaps (such as in the labor market) often requires changes in how markets work, in the laws and regulations (formal institutions), and in the societal beliefs and norms (informal institutions). In this context, public policy becomes an important lever through which market and institutional constraints are addressed to support gender equality. Rwanda's framework for advancing gender equality has included various institutional and policy reforms, underpinned by high-level political commitment.

Institutional Framework

Rwanda's legal framework provides for equal treatment of women and lays out concrete goals for achieving this. The 2003 constitution, as revised in 2015, enshrines the fundamental principles of gender equality and provides a platform for gender mainstreaming in all sectors. It sets out to operationalize these principles by establishing 30 percent quotas for female representation in all decision-making structures. Similarly, the legal framework contains several

Figure 2.3. Seats Held by Women in National Parliament, 1990–2014



Source: World Bank, World Development Indicators; and IMF staff calculations.
Note: GRB = gender-responsive budgeting country.

supporting provisions, including ensuring equality for women in land ownership and inheritance (2013 land law), and equal access and pay for employment (2009 labor law). Additionally, several bodies have been set up at national and decentralized levels of government to advance gender issues (Box 2.1).

According to the World Bank's World Development Indicators data set in 2015, women held 64 percent of Rwanda's parliamentary seats (Figure 2.3). For comparison, only in Bolivia did women hold more than 50 percent of seats, and globally women hold 21 percent of parliamentary seats on average. At other levels of government in Rwanda, women comprised 50 percent of the judiciary, 39 percent of the cabinet, 40 percent of provincial governors, and 43 percent of district council members (Government of Rwanda 2016).

Public Policy Framework

The National Gender Policy guides the promotion of gender equality in Rwanda and is embedded in the country's development strategies. The policy outlines principal guidelines upon which sectoral policies and programs are based "to integrate gender issues in their respective social, cultural, economic, and political planning and programming" (Government of Rwanda 2010). The policy informs and is operationalized in the government's development frameworks, that is, Vision 2020 and Economic Development and Poverty Reduction Strategies.

Vision 2020, the longer-term framework, seeks to transform Rwanda into a middle-income country by 2020. The Economic Development and Poverty Reduction Strategies operationalize this through medium-term (seven-year) goals and strategies. In both frameworks, gender equality and women's empowerment have been mainstreamed as cross-cutting issues. In addition, women's empowerment is a critical component of the Seven-Year Government Program, which outlines the medium-term development vision of the elected government. In line with this commitment, the government anticipates increasing the number of active women in cooperatives and expanding their use of loans from financial institutions. It targets a share of at least 50 percent loans from Umurenge SACCOs, microfinance institutions, and banks used by women.[5]

Rwanda's social protection programs also have an embedded role in tackling gender inequalities. The government's social protection strategy seeks overall to build a system that reduces poverty, inequality, and vulnerability from shocks. Evidence from countries with well-established safety nets reveals that—when effective and properly targeted—these can play a powerful role in combating poverty and inequality. In Rwanda, as in most countries, female-headed households are more likely to be poor than male-headed households (44 versus 37 percent) and more likely to be extremely poor (20 percent versus 15 percent) (Government of Rwanda Integrated Household Survey 2014).

The Role of Informal Institutions

Gender relations are often deeply rooted in a society's economic and social norms and practices, which in turn shape women's economic opportunities (such as type of education and nature of jobs a man or woman can do) or how endowments are distributed between men and women. On a macro level, these norms can influence how economic, political, legal, and regulatory systems are designed and implemented, sometimes to the detriment of women.

In Rwanda, studies reveal that certain socioeconomic and social norms could impact the success of gender reforms. Debusscher and Ansoms (2013) highlight that women in Rwanda, as in many countries, disproportionately contribute to significant but largely undervalued care work such as household tasks, child-rearing, and care of the family and community. The International Development Law Organization (2013) also finds that in rural Rwanda—while the statutory reforms have strengthened women's rights to land through marriage, inheritance, or on death of a spouse—their actual ownership and rights to the land are more symbolic and less strictly enforced under customary law and practice.

[5]Community savings and credit cooperatives (SACCOs), known in Rwanda as Umurenge SACCOs.

Gender Budgeting

Operationally, gender budgeting has emerged as one of Rwanda's key policy tools, and the practice helps evaluate how fiscal policies may affect men and women differently. The country began its first gender budgeting initiative in the early 2000s amid the government's new emphasis on gender mainstreaming in policies and programs, and has since evolved into an integral part of budgeting.

The government launched its initial gender budgeting initiative in 2002, led by the Ministry of Gender and Family Promotion. But the effort relied on external financing and experts, developed little local capacity, and was not sustained.

A second attempt at gender budgeting began in 2008, with the Ministry of Finance in charge and UNIFEM (now UN Women) providing support. The effort coincided with larger public financial management reforms, as the country moved to program budgeting and recognized that the National Gender Policy could not succeed unless "adequate resources are allocated to programmes and activities related to it" ("Gender Monitoring Office" 2010).

Beginning with four focus sectors—agriculture, education, health, and infrastructure—gender budgeting included reporting instruments, such as the gender budget statement, to ensure accountability, require analysis of gender-related goals, and report gender-disaggregated employment data for the civil service. The country followed up by introducing monitoring and evaluation for gender budgeting. In 2011 the Gender Monitoring Office, in its annual report, evaluated the 2011–12 Gender Budget Statement, examining progress and challenges associated with implementing the statement.

The 2013 Organic Budget Law mandated gender budgeting with requirements for gender budget statements and gender-related goals. In addition to the national-level push for gender budgeting, Rwanda established a local effort, asking governments to determine which services had a specific gender-related goal.

The 2015/2016 Gender Monitoring Office Annual Report analyzes the impacts, challenges, and recommendations of the gender budget statement interventions. Local and central governments focused on the infrastructure, education, health, trade, disease control, environment, and housing/urban development sectors. Districts chose social protection and agriculture as additional sectors, while the national level ministries concentrated on justice, youth, refugee management, information and communication technology, land management, mining, and water resources.

The report finds that resources allocated to the gender budget statement increase on average from the previous fiscal year. The positive impacts of the gender budget statement include improved access to water, new classrooms at the primary and secondary levels, and greater access to health services due to the construction of new facilities. The Gender Monitoring Office notes that, among other recommendations, gender-disaggregated data collection and analysis needs to improve, which would enhance the government's ability to plan, budget, and report.

UGANDA

Starting in the late 1990s, the Forum for Women in Democracy drove Uganda's initial gender budgeting effort, with a primary focus on education, health (in particular, maternal mortality), and agriculture. By the mid-2000s, the country's Poverty Eradication Action Plan incorporated a gender focus. The fiscal 2004/2005 budget call circular, issued by the Ministry of Finance, Planning, and Economic Development, incorporated guidelines for gender budgeting for ministries and local governments.

The fiscal 2014/2015 circular further improved the country's gender budgeting effort by requiring that agencies and ministries identify specific actions aimed at improving gender equality and collect data disaggregated by sex, age, disability, and location. Promoting gender equality was one of the objectives of the 2010–15 National Development Plan, with gender budgeting included as a tool for achieving gender equality; local governments have also incorporated gender-related objectives into their five-year development plans.

Village budget clubs offer citizens a forum in which they can voice their preferences, monitor the use of public funds, and hold government accountable (Dietl and others 2014); these clubs allow women to advocate for spending on maternal health, infrastructure, and education.

An innovative aspect of Uganda's gender budgeting program is its Gender and Equity Compliance Certificate. The Equal Opportunities Commission is tasked with reviewing Ministerial Policy Statements and assessing their responsiveness to and compliance with legal gender and equity reporting and outcomes. In partnership with UN Women, the Equal Opportunities Commission launched in January 2018 its Gender and Equity Budgeting reference tools, which included Gender and Equity Compacts for eight sectors.

The 2016/2017 report shows that of the 56 statements reviewed, 45 received a passing mark. However, the report also points out that despite the ministries' commitment to complying with the legal requirements for gender and equity in the budget process, their efforts were hindered by lack of capacity, training, and financial support. Some ministries identified gender-related outcomes yet did not allocate funding to achieve those goals. To address these issues, the government is developing a gender budgeting curriculum to standardize training across agencies. Furthermore, the government is updating its tools for assessing gender compliance in Ministerial Policy Statements.

ASSESSMENT OF GENDER BUDGETING IN RWANDA AND UGANDA

The chapter examines education enrollment, female labor force participation, and two measures of overall gender inequality (time-consistent versions of the UN Development Programme's Gender Development Index and Gender

Inequality Index) as a first step to assessing the impact of gender budgeting in Rwanda and Uganda.[6]

Figures 2.4 and 2.5 compare progress in Rwanda and Uganda to a group of low-income, non-resource-intensive sub-Saharan African countries. This provides an overview of country-level progress on key gender equality indicators, such as female school enrollment and maternal mortality, that are often included as part of gender budgeting programs. Looking at 1990 compared to 2013 allows us to examine the situation in both countries during roughly the decade before and after they introduced gender budgeting.

In 1990 Rwanda had already achieved gender parity in primary school enrollment, but in Uganda, only 80 girls for every 100 boys were enrolled in primary school, a ratio that placed Uganda behind sub-Saharan African peers. By 2009, however, Uganda had realized gender parity in primary school enrollment, with the comparison group of sub-Saharan African countries lagging both Rwanda and Uganda. Rwanda had almost double the maternal mortality ratio of its comparator group in 1990, but by 2013 the country reduced its maternal mortality ratio to below that of its peers. Uganda, too, outperformed regional peers in this indicator by 2013.

The World Bank's World Development Indicators provide data on health expenditure as a share of GDP. As can be seen in Figure 2.6, health spending as a share of GDP in Rwanda increased markedly after 2002, the year in which gender budgeting was first introduced. Note, however, that this figure does not allow us to determine if a causal relationship exists.[7]

The chapter now turns to indicators of gender equality drawn from the countries' household survey data. Using data from the Demographic and Health Survey (DHS) STATcompiler, we examine demographic and health indicators for Rwanda and Uganda.[8]

Literacy rates for women ages 15–49 increased in both Uganda and Rwanda between 2000 and 2014 (Figure 2.7). In Uganda, literacy rates for women dipped slightly between the 2000–01 DHS but went up to over 60 percent in 2011. In Rwanda, literacy rates started at 66 percent in 2000 and steadily increased to over 80 percent in 2014–15 for women ages 15–49.

In Uganda, education of women grew steadily between 2000 and 2011. More than 50 percent of women ages 15–49 interviewed had some level of primary education, including completion of primary education and attendance without

[6]See Stotsky, Kolovich, and Kebhaj (2016) for details on the calculations of the two time-consistent gender indices.

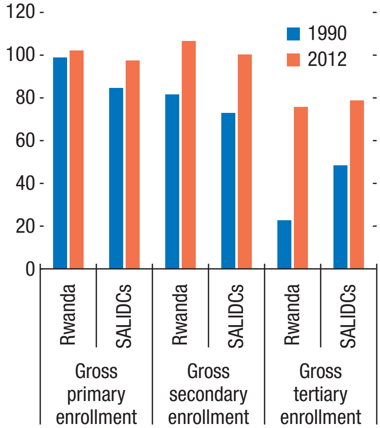
[7]For preliminary evidence on the causal relationship between gender-budgeting programs and gender-equality outcomes, see Stostky and Zaman (2016), who investigate various gender-equality outcomes in Indian states with and without gender-budgeting initiatives.

[8]The DHS is a nationally representative household survey typically conducted every five years that provides data on population, health, and nutrition indicators. The DHS Program STATcompiler allows users to create tables based on thousands of demographic and health indicators across more than 90 countries. See http://www.dhsprogram.com/What-We-Do/Survey-Types/DHS.cfm.

Figure 2.4. Trends in Gender Inequality in Rwanda and Its Regional Counterparts

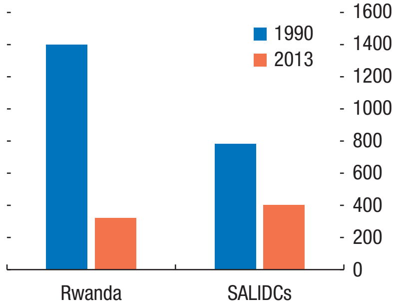
a. Educational Enrollment in Female-to-Male Ratios

Rwanda increased its female-to-male ratios in primary, secondary, and tertiary education.



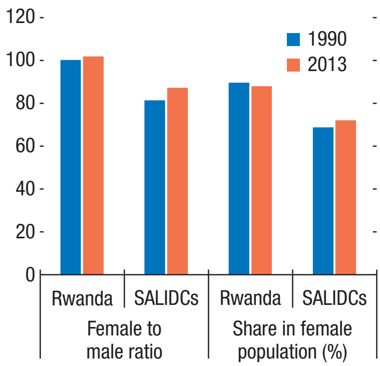
b. Maternal Mortality Ratio (Modeled estimate, per 100,000 live births)

Rwanda had almost double the maternal mortality ratio of its comparator group in 1990, but by 2013, had made more progress than these countries.



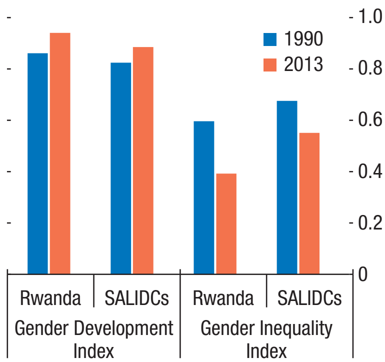
c. Labor Force Participation (ages 15–64)

There was little change in the labor force participation rates in Rwanda, although the female-to-male ratio was above one in 2013.



d. Overall Inequality

Rwanda performs better than its regional counterparts on two measures of overall inequality.

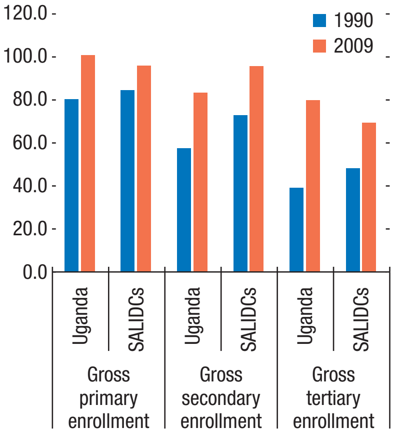


Sources: World Bank, World Development Indicators; Stotsky, Kolovich, and Kebhaj (2016); and IMF staff estimates.
Note: SALIDCs stands for non-oil and non-primary product exporting low-income developing countries in sub-Saharan Africa, which consists of Benin, Cameroon, Comoros, Ethiopia, Gambia, Ghana, Kenya, Lesotho, Madagascar, Mozambique, São Tome and Príncipe, Senegal, Tanzania, Togo, Uganda, and Zambia. Higher Gender Development Index scores indicate greater gender equality, while higher Gender Inequality Index scores imply greater inequality.

Figure 2.5. Trends in Gender Inequality in Uganda and its Regional Counterparts

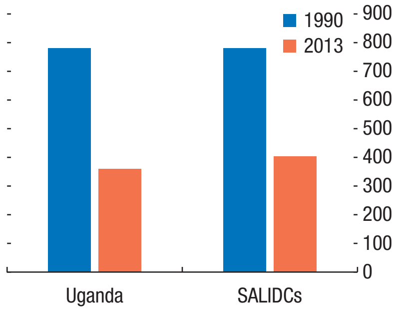
a. Educational Enrollment in Female-to-Male Ratios

Uganda made improvements in the female-to-male ratio of primary, secondary, and tertiary enrollment. It lags its regional counterparts in secondary, but outperforms in tertiary enrollment.



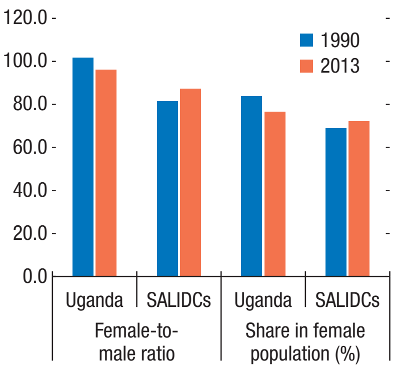
b. Maternal Mortality Ratio (Modeled estimate, per 100,000 live births)

Uganda reduced its maternal mortality ratio below that in the comparator countries.



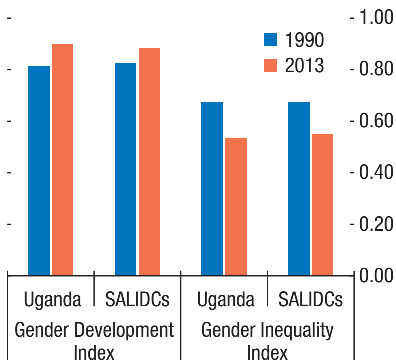
c. Labor Force Participation (Ages 15–64)

Uganda saw a slight decrease in both the female and the ratio of female-to-male labor force participation rates, while its counterparts saw an increase.



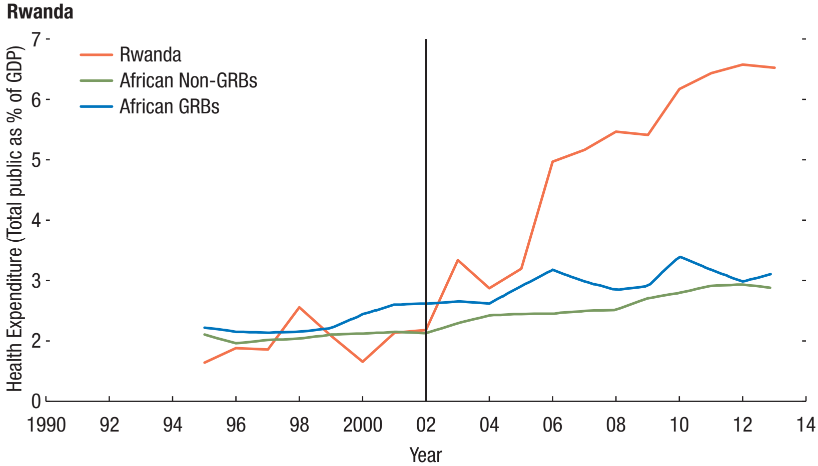
d. Overall Inequality

Uganda started off at a higher level of overall gender inequality than its counterparts in 1990, but outperformed them by 2013.



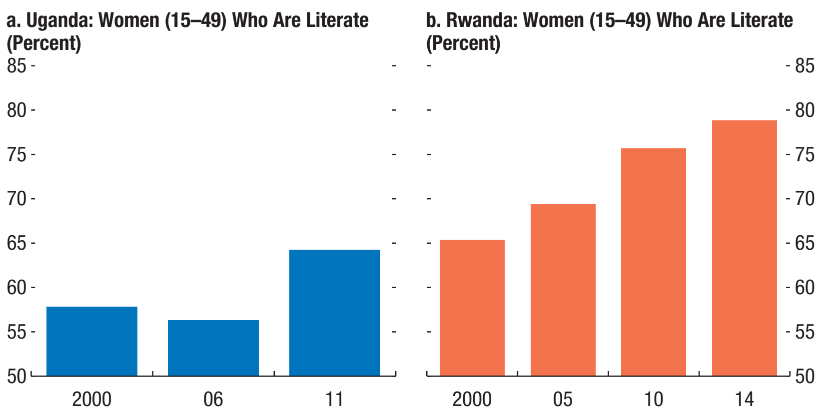
Sources: World Bank, World Development Indicators; Stotsky, Kolovich, and Kebhaj (2016); and IMF staff estimates.
Note: SALIDCs stands for non-oil and non-primary product exporting low-income developing countries in sub-Saharan Africa, which consists of Benin, Cameroon, Comoros, Ethiopia, Gambia, Ghana, Kenya, Lesotho, Madagascar, Mozambique, Rwanda, São Tome and Príncipe, Senegal, Tanzania, Togo, and Zambia. Higher Gender Development Index scores indicate greater gender equality, while higher Gender Inequality Index scores imply greater inequality.

Figure 2.6. Health Expenditure as a Share of GDP, 1996–2013



Source: World Bank, World Development Indicators; and IMF staff calculations.

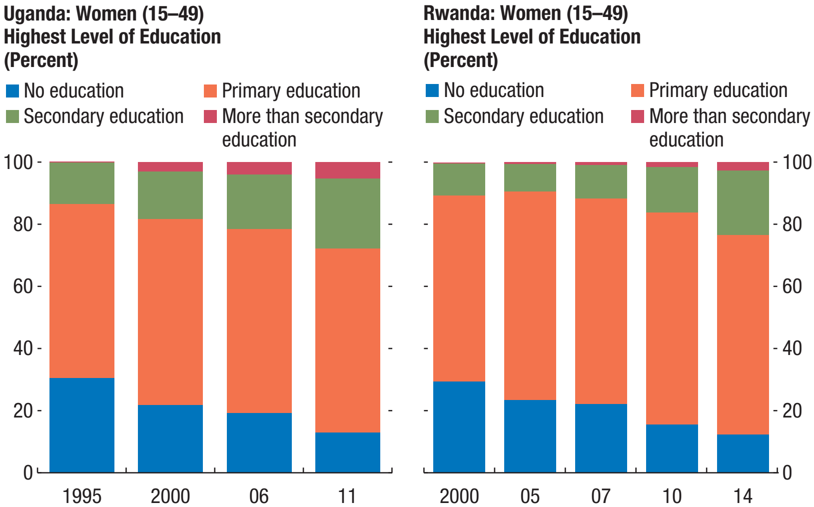
Figure 2.7. Percentage of Women Who Are Literate



Source: ICF International, 2015. The DHS Program STATcompiler. Funded by USAID. http://www.statcompiler.com. Accessed July 19, 2017.

completion. The percentage of women with no education declined by more than half during 1995–2011, while the percentage of women who had attained some level of secondary education almost doubled. The percentage of women who have completed more than secondary education is less than 10 percent; this number steadily grew from 0.2 percent to more than 5 percent from 2000 to 2014.

Figure 2.8. Highest Level of Education



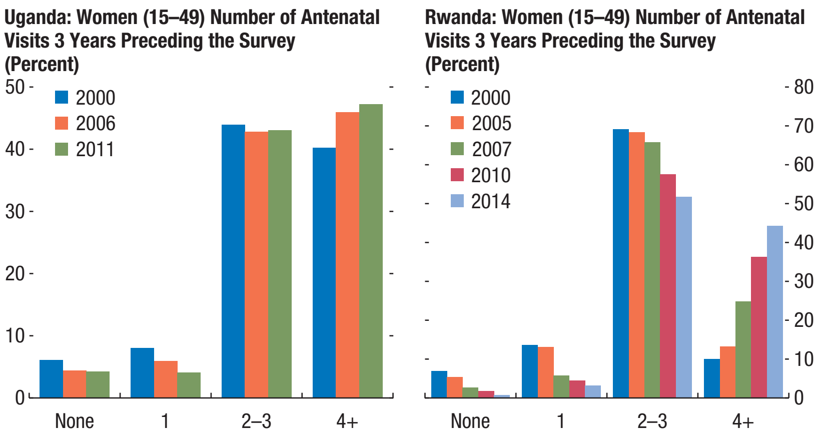
Source: ICF International, 2015. The DHS Program STATcompiler. Funded by USAID. http://www.statcompiler.com. Accessed July 19, 2017.
Note: The total for primary and secondary education is calculated by combining women with some education level and those who have completed the level.

In Rwanda, at least 60 percent of women interviewed had completed some level of primary education in 2000; by 2014 the percentage had increased to about 65 percent. The percentage of women with no education declined by more than half, while women with secondary education doubled. The percentage of women with more than secondary education remains below 5 percent (Figure 2.8).

Examining gender-oriented goals in health care that may be attributed to budgeting initiatives, we looked first at antenatal visits for pregnancy, using a measure of the percentage of women who had live births, in the three years preceding the survey, and who had received antenatal care. Between 2000 and 2011, the percentage of women who did not have antenatal care declined from about 6 percent to 4 percent, and women who made only one visit declined by half from about 8 percent to 4 percent. The percentage of women with at least four antenatal visits or more increased by 7 percentage points (Figure 2.9). In Rwanda, between 2000 and 2014, the percentage of women who had not had antenatal care during their pregnancy declined from 7 percent to 0.7 percent, while the percentage of women with at least four antenatal visits or more increased from about 10 percent to close to 44 percent.

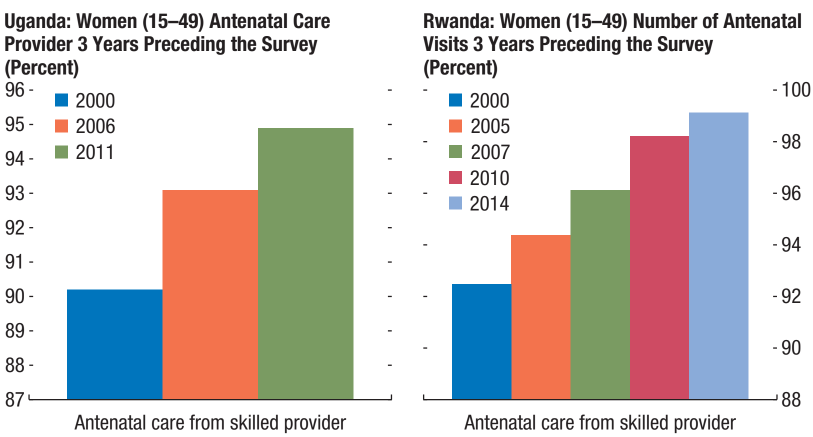
As can be seen in Figure 2.10, the percentage of women in Uganda who received antenatal care from a skilled provider increased by 4 percentage points between 2000 and 2011. This leaves a small percentage, 5 percent, who either did not receive any antenatal care or who received it from a non-skilled provider. In

Figure 2.9. Antenatal Visits for Pregnancy



Source: ICF International, 2015. The DHS Program STATcompiler. http://www.statcompiler.com. Accessed July 21, 2017.

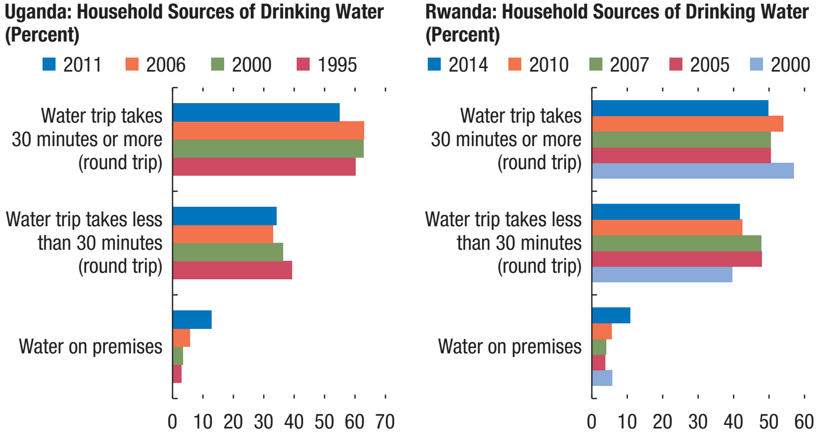
Figure 2.10. Antenatal Visits with Skilled Providers



Source: ICF International, 2015. The DHS Program STATcompiler. http://www.statcompiler.com. Accessed July 21, 2017.

Rwanda, the percentage of women receiving antenatal care from a skilled provider was close to 100 percent in 2014. This is an increase of about 7 percentage points from 2000. The provision of skilled antenatal care may have contributed to the decline in the percentage of women who have not received any antenatal care in the two countries.

Figure 2.11. Time to Obtain Water (round trip) Household Water Sources in Percentages



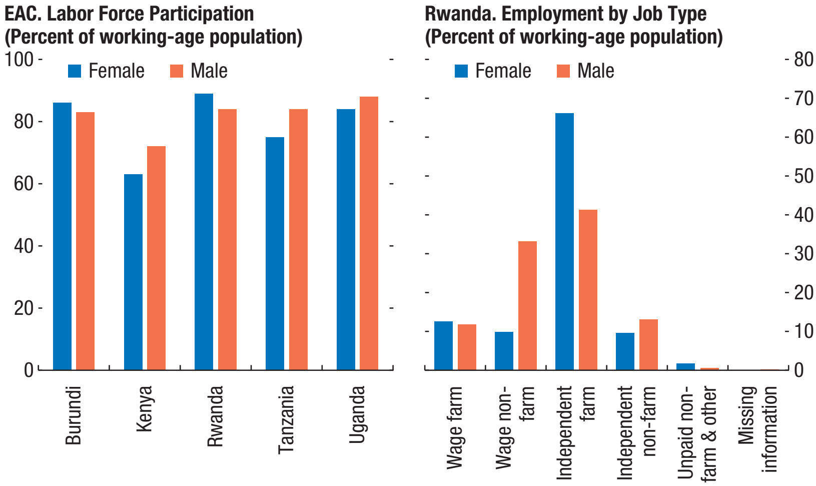
Source: ICF International, 2015. The DHS Program STATcompiler. http://www.statcompiler.com. Accessed July 21, 2017.

In Uganda, close to 90 percent of households did not have water on the premises, although households with water on the premises increased from about 3 percent in 1995 to close to 13 percent in 2011 (Figure 2.11). The majority of households spent more than 30 minutes round trip to access drinking water, still quite high but falling from about 59 percent in 1995 to 54 percent in 2011. Households for which the water trip took less than 30 minutes declined from about 38 percent in 1995 to about 33 percent in 2011.

In Rwanda, close to 90 percent of households had no water on the premises. The percentage of households with water on the premises increased from about 6 percent in 2000 to close to 11 percent in 2011. The majority of households spent more than 30 minutes round trip accessing drinking water, although the number declined from about 56 percent in 2000 to 49 percent in 2014. Households for which the water trip took less than 30 minutes increased from about 39 percent in 2000 to close to 41 percent in 2014.

Worldwide, gender inequality in economic participation manifests itself most clearly in the amount and type of employment. In almost all countries, women are more likely than men to engage in low-economic-productivity activities. They are also more likely to be in low-wage or unpaid employment or work in the informal wage sector. In agriculture, especially in Africa, women operate smaller plots of land and farm less profitable crops. As entrepreneurs, they tend to manage smaller firms in less-profitable sectors, while in formal employment they concentrate in "female" occupations and sectors such as teaching, nursing, and clerical jobs (World Bank 2011).

Figure 2.12. Economic Participation



Source: World Economic Forum, The Global Gender Report 2016.

Note: EAC = East African Community.

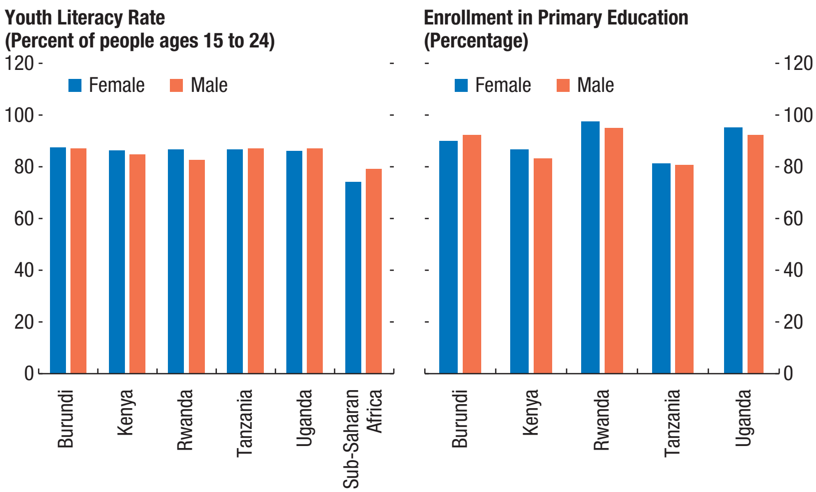
Source: Government of Rwanda, Integrated Household Living Conditions Survey 2013/14.

In Rwanda, female labor force participation is broadly equal to that of men, but differences exist in participation rates across sectors. At about 85.5 percent, the share of females participating in the labor force is similar to that of men (86 percent) and rates observed in the East African Community.

However, most women work in agriculture, mostly as independent farmers, compared to about two-fifths of men (Figure 2.12)—similar to many sub-Saharan African and low-income countries. Because the agricultural sector's employment share tends to decrease as education levels rise, better access to quality education, combined with other measures (such as changing social norms regarding household and care responsibilities), could help women escape "agricultural feminization."

Across countries, gender wage gaps generally reflect several interrelated factors, including occupational segregation, weak labor laws, social norms, implicit bias, and discrimination. Occupational segregation indirectly implies that women will tend to be overrepresented in certain occupations. In sub-Saharan Africa, for example, gender pay gaps are broadly associated with the high share of female employment in agriculture and informal sectors, the time women spend on unpaid household work and care, high fertility rates, and discriminatory social norms (United Nations 2016). Direct discrimination, on the other hand, manifests itself when women with the same capability and experience are treated differently.

Figure 2.13. Regional Education Equality



Source: World Bank, World Development Indicators.

Gender gaps in wages and earnings in Rwanda remain significant, reflecting both direct and indirect discrimination. Rwanda ranked first for wage equality in the 2016 Global Gender Gap, but slipped to eighth on estimated earned income. This may reflect that women are underrepresented in the nonfarm wage sector (Figure 2.12) but overrepresented in independent agriculture (Gender Monitoring Office 2017). In particular, they are often involved in lower-valued subsistence agriculture, while men are more involved in cash crop production and marketing.

Rwanda outperforms the average sub-Saharan African country on educational equality. Literacy rates among women were above 65 percent in 2015, up some 16 percentage points from 2000 levels, and compared to 76 percent for men (Government of Rwanda 2014). The growth in women's literacy rates has therefore outpaced that of men over the past decade and compares favorably with the sub-Saharan African average (59 percent in 2011). However, women's literacy in most other East African Community countries, such as Burundi, Kenya, and Tanzania, is still higher than in Rwanda. Nevertheless, Rwanda performs strongly on youth literacy (85 percent for females compared to 88 percent for males in 2015), and primary education is virtually the same for boys and girls, suggesting that Rwanda will catch up to its peers (Government of Rwanda 2015; Figure 2.13).

The Rwandan government has implemented specific policies to improve education opportunities for girls. These include the Girls' Education Policy, led by the Ministry of Education, which specifically aims at the progressive elimination of gender disparities in education and training as well as in management structures (Government of Rwanda 2008), and the universal 12-year basic education and Technical Vocational Education Training programs, which also have specific goals and measures to reduce gender imbalance in access and enrollment.[9]

In 2014 net enrollment of girls in primary school almost equaled that of boys (Figure 2.13) and, in 2015, girls' attendance exceeded that of boys at the primary and secondary levels (Government of Rwanda 2016).

Information and communications technology is helping to close the gender gap, such as through the e-learning systems, and Rwanda is also a signatory of the 2017 "Kigali Declaration," which aims to close the gender gap in science and technology. However, a gender gap remains in technical and vocational education and training, with female enrollment at almost 42 percent in 2015, still some 16 percentage points short of male enrollment, even if up significantly.

Government interventions have improved health indicators for and relating to women. Maternal mortality has been reduced from more than 1,000 deaths per 100,000 births in 2000, to 210 in 2015, better than the sub-Saharan Africa average and among East African Community peers. Adolescent fertility rates (births per 1,000 women ages 15–19) have been halved from 49 in 2000 to 26 in 2015 (compared to 100 in sub-Saharan Africa). One of the keys to this success has been the community-based health insurance scheme (Mutuelle de Santé), which has helped provide quality health care to the poor, especially women, at affordable rates. In addition, homegrown solutions have improved the health status of women and children in Rwanda. These include community health workers, kitchen gardens, community kitchens to demonstrate the preparation of a balanced diet, and the Shisha Kibondo program (where pregnant and lactating mothers and children receive fortified blended food supplements).

Rwanda recently introduced laws to remove constraints for women's access to physical assets, enhance their economic opportunities, and correct legal discrimination (Government of Rwanda 2016). These include:

- A law governing land management and guaranteeing equal rights for land access, ownership, and utilization (2013). Women's land ownership is at 26 percent compared to 18 percent for men, and 54 percent by both spouses. And, with women now being able to use land as an economic resource to secure loans and run business, their financial exclusion has halved.
- A law that prohibits any form of discrimination based on gender, sex, race, or religion in political parties (2013)
- A law instituting gender-responsive budgeting (2013) that enforces accountability measures for gender-sensitive resource allocation across sectors
- A law governing matrimonial regimes, donations granted or received within a family, and successions (2016), ensuring equal inheritance rights and contributing to women's equal share on family properties including land

[9]Rwanda's Technical Vocational Education Training policy provides for special programs to "enable women to update their knowledge and professional skills for entering the workforce, executing income generating activities or occupying better position" (Government of Rwanda 2014).

- A law regulating labor in Rwanda, providing for equal opportunities and equal pay for women and prohibiting sexual harassment in the workplace (2009)
- A law establishing and governing maternity leave benefits scheme (2016). This law allows a mother to take three months fully paid maternity leave, up to one hour out of official working hours for 12 months to spend time with her child, and four days leave for fathers during the wife's maternity leave.

The changes in laws have resulted in a more level playing field. Women are now more likely to own property and provide loan collateral than women in neighboring countries (United Nations 2016), enhancing their productive and financial access capabilities. The 2013/14 DHS showed minimal differences in land ownership between male-headed and female-headed households (89.5 percent and 88.5 percent, respectively). And more equal distribution of property has relaxed collateral constraints, advancing financial inclusion.

Rwanda has made progress in promoting political inclusion of women. The constitution provides for quotas of a share of at least 30 percent for women in decision-making positions, thus getting women into decision-making positions at all levels. For example, in 2015, when the global average was 21 percent, women held 64 percent of Rwanda's parliamentary seats. Women comprise half of the judiciary and provincial governors, 40 percent of the cabinet, 32 percent of ambassadors, and 44 percent of district advisory council members.

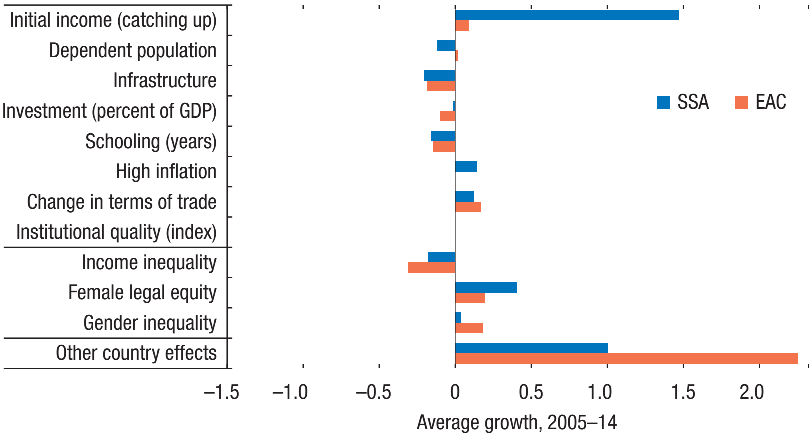
Impact on Growth

How has this impacted economic growth? A decomposition exercise using the estimates of the determinants of growth in a panel of 115 advanced, emerging market, and developing economies (IMF 2015) helps attribute differences between average real GDP per capita growth rates in Rwanda and those of other economies to macroeconomic fundamentals and policies (See Figures 2.14 and 2.15).

The results suggest that greater gender equality has contributed to higher growth in Rwanda compared to regional peers, and the gains of further reducing inequality are significant.

- Rwanda's GDP growth rate averaged about 2.2 percentage points above the East African Community and the sub-Saharan African average during 2005–14. The results highlight that both female legal equity and gender equality in opportunities and the labor market have contributed ½ percentage point to this growth differential (Figure 2.14).
- Growth gains from further lowering gender inequality could also be significant. Specifically, reducing gender inequality in Rwanda to levels observed in benchmark countries in Latin America and ASEAN could boost per capita GDP by nearly ½ percentage point, highlighting another avenue for

Figure 2.14. Growth Differential between East African Community (EAC) and Sub-Saharan Africa (SSA)
(Percentage)



Sources: IMF, World Economic Outlook database; PRS Group; World Bank, World Development Indicators; and IMF staff estimates.
Note: A bar with a negative value denotes what share of the shortfall in sub-Saharan Africa's growth is explained by a particular variable. The sum of all negative contributions exceeds the observed growth shortfall indicated in the chart because of the offsetting catch-up effect.

development in addition to improving infrastructure and human capital accumulation (Figure 2.15).

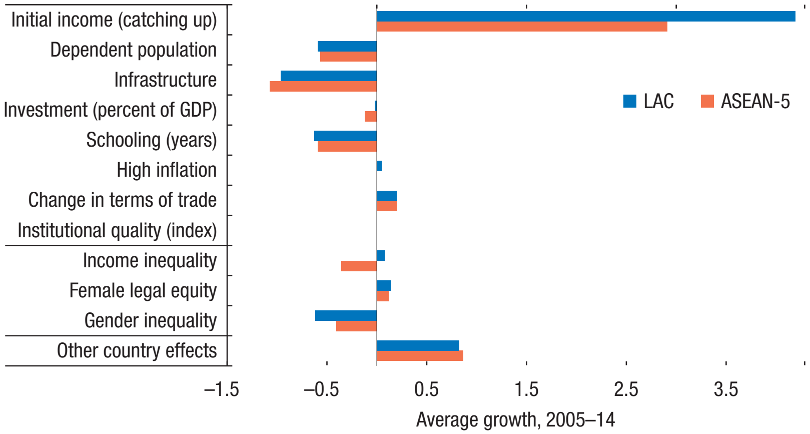
CONCLUSIONS AND LESSONS LEARNED

Rwanda has made great strides in reducing gender inequality over the past two decades, and much of this improvement coincides with the country's gender budgeting effort. While we have not established a causal link between Rwanda's gender budgeting initiative and the outcomes presented in this chapter, we can take away several lessons learned from the Rwandan experience.

The Ministry of Finance took the lead on the wave of gender budgeting introduced in 2008. The organic budget law, enacted in fiscal year 2012/13, makes Gender Budget Statements mandatory. Rwanda is one of the few countries in Africa to integrate gender budgeting into program and results-based budgeting through Gender Budget Statements at the sectoral level.

Identifying and integrating gender-oriented goals into the normal budgetary process underpinned Rwanda's effort. The country also sought a comprehensive approach through its selection of pilot sectors, which covered social, economic, and development/infrastructure components. Four pilot ministries were involved: agriculture, health, infrastructure, and education. The Ministry of Agriculture devoted 32 percent of its budget to gender-targeted outputs in fiscal year

Figure 2.15. Growth Differential between ASEAN-5 and Latin America and Caribbean (LAC) Economies
(Percentage)



Sources: IMF, World Economic Outlook database; PRS Group; World Bank, World Development Indicators; and IMF staff estimates.
Note: ASEAN-5 = Indonesia, Malaysia, Philippines, Thailand, Vietnam. A bar with a negative value denotes what share of the shortfall in sub-Saharan Africa's growth is explained by a particular variable. The sum of all negative contributions exceeds the observed growth shortfall indicated in the chart because of the offsetting catch-up effect.

2010/11. The three other ministries had smaller shares for gender-based programs (ranging from 4–13 percent).

Rwanda is one of the few countries in the world that works to monitor and provide accountability for the gender budgeting effort. The Gender Monitoring Office is a constitutional regulatory body that focuses on monitoring gender mainstreaming, gender-based violence and injustices, and gender-related international commitments. The Gender Monitoring Office, in contrast to the Equal Opportunities Commission in Uganda, monitors budget statements, provides technical guidance, and recommends targeted efforts to strengthen capacity for gender analysis.

Civil society is engaged in budget analysis and advocacy with the support from East African budget and gender budget advocacy networks. Rwanda's experience shows that the engagement and leadership/strategic partnership of the Ministry of Finance are crucial to begin to make headway in and sustain gender-responsive budgeting. In addition, ministries have leeway in identifying issues that are critical to gender inequality, allowing civil servants flexibility in determining the most effective approaches to meeting gender goals.

Rwanda has made important advances in promoting gender equality through various policy and institutional initiatives, and strong political will. The gains in institutional and policy reforms for gender equality have placed the country among the global leaders in advancing gender equality. The increased emphasis on gender-responsive budgeting, higher access to finance including through microfinance schemes, and improvements in access to health and education services, provide a good base for enhancing the productivity of women in the economy and eliminating gender-related income inequalities. Various legal reforms have also granted women opportunities to fully participate in economic activities and improve their representation in decision-making positions.

Rwanda outperforms most of its peers in terms of women's economic participation and opportunity. The World Economic Forum's 2016 Gender Gap Report ranks Rwanda at fourteenth globally on women's economic participation and first in labor force participation and wage equality for similar work.

Several opportunities exist to consolidate these gains in making gender equality an integral part of inclusive growth. Female labor force participation beyond the agricultural sector could be enhanced through further advancement of women's access to quality health and education services. In this respect, improving women's access to technical and vocational training could improve economic participation and opportunities beyond agriculture and informal activities. There is also room to close the gap in access to credit in the formal banking sector, which provides more than 80 percent of credit to the economy, but only about 22 percent of that goes to women. Increased access to credit in the banking sector would support efforts to advance women's entrepreneurship. Recent initiatives by the authorities to collect gender-disaggregated financial data will help further understand gender dimensions of access to financial services, which should help in designing targeted policies.

Underlying all these opportunities is the importance of ensuring that reforms in the formal institutional landscape are commensurate with informal institutional changes (legal, social or cultural) to enable women to exploit their full economic potential.

Similar to Rwanda, the Ugandan effort attempts to address gender inequality in several sectors of the economy. Uganda conducts gender budgeting at the national and subnational levels, with both attempting to address women's needs in education and health in particular. An innovative feature of the program is the Certificate on Gender and Equity Compliance, which monitors compliance with gender-oriented goals and indicates the country's commitment to promoting gender budgeting. We note that the country could supplement its efforts with a more formal assessment mechanism.

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ANNEX 2.1.

Summary of Gender Budgeting Initiatives in Sub-Saharan Africa

	Rwanda	Uganda
ORIGINS		
Does the government have a gender budgeting initiative	Yes	Yes
If yes, start year	2002	2004/2005
If any, end year		
Supported by international organizations or bilateral aid agencies	Yes	Yes
Tied to MDG goals or national development plan or gender equality strategy	Yes	Yes
SELECTED COMPONENTS OF FISCAL POLICY		
Focus on spending	Yes	Yes
Spending focus on key human development (education and health)	Yes	Yes
Spending focus on physical infrastructure (transport, water, electricity, and energy)	Yes	Yes
Spending focus on justice and security (violence against women, judicial assistance)	Yes	Yes
Spending focus on jobs, entrepreneurship, wages etc	Yes	Yes
Spending structural reforms (subsidies, transfers, incentive or distributional objectives)	Yes	Yes
Focus on revenue	No	Yes
Personal income tax focus	No	No
Other tax focus, including general or selective sales and trade	No	Yes
INDICATORS TO PLACE GENDER BUDGETING IN THE FISCAL PROCESS		
Broad statement of goals of Minister of Finance	No	No
Gender budgeting statement in budget documentation	Yes	Yes
Gender budgeting circular or related to instruct the bureaucracy	Yes	Yes
Gender budgeting in planning and programming	Yes	Yes
Gender budgeting supported by analytics	Yes	Yes
Gender budgeting outcome report or audit	Yes	Yes
Explicit reporting on gender equality spending	Yes	Yes
LEGAL BASIS		
Gender budgeting has constitutional standing	Yes	No
Gender budgeting is incorporated in organic budget or other finance laws	Yes	Yes
ROLE OF GOVERNMENT		
Ministry of Finance lead entity or just involved	Yes	Yes
Other ministries play consequential role	Yes	Yes
Subnational government	Yes	Yes
ROLE OF CIVIL SOCIETY		
Significant encouragement or participation of civil society	Yes	Yes

CHAPTER 3

Asia and Pacific

LISA KOLOVICH AND PRAKASH LOUNGANI

Despite Asia's progress over the past several decades in closing gender gaps in education, health, economic, and political outcomes, women and girls continue to encounter barriers relative to men. Gender gaps also continue in labor force participation, political representation, and health outcomes.[1] To address these gender gaps, countries have implemented gender budgeting, which originated in Australia in the early 1980s and has since spread to more than 80 countries around the world.

This chapter summarizes the experiences of four countries in the Asia and Pacific region with well-developed gender budgeting initiatives—Australia, India, Korea, and the Philippines—and analyzes several gender inequality outcomes in those countries.[2] As in other regions, these four countries' efforts vary in terms of design, implementation strategies, legal framework, and partner involvement.[3] Nevertheless, several commonalities exist and provide insight into lessons learned.

OVERVIEW OF THE REGION: GENDER INEQUALITY AND FISCAL CONTEXT

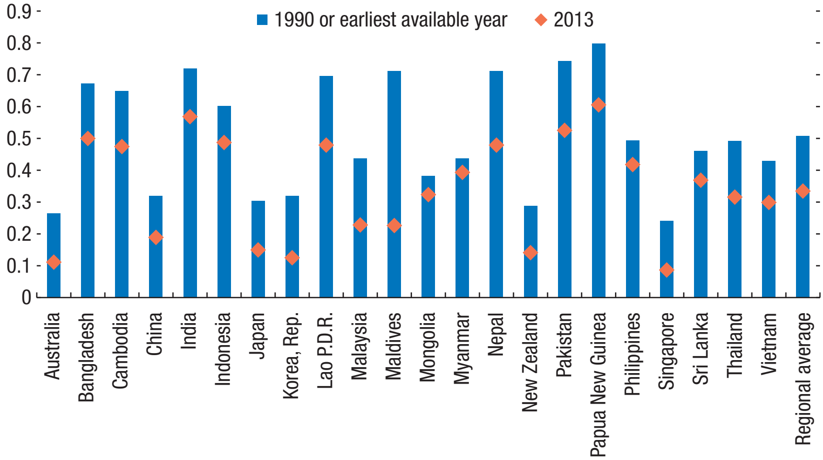
Gender budgeting efforts are motivated by a combination of considerations, including a basic sense of fairness and the view that a greater role for women in economic and public life has the potential to contribute significantly to economic growth and stability in the region. Eliminating gender inequalities can lead to

[1]For example, Amartya Sen drew attention to the millions of "missing" women, that is, the deviation of the actual sex ratio from the expected sex ratio, in China and India (Klasen and Wink 2003; Klasen 1994, 2008; Sen 2003). This shortfall of women "is far from a minor issue," to quote Klasen and Wink (2003); the authors point out that the impact is larger than the combined death toll of World Wars I and II or those who perished in all the famines of the 20th century.

[2]For further details on gender budgeting efforts in the region, see Annex 3.1 and Chakraborty (2016).

[3]Gender budgeting efforts can be defined as the use of fiscal policies to address gender inequality and, in some countries, include gender-responsive reforms to public financial management institutions. In addition, countries may implement a wide array of standard gender budgeting components without referring to their efforts as "gender budgeting."

Figure 3.1. Gender Inequality Index



Sources: Stotsky and others 2016; Barro and Lee 2014; World Bank, World Development Indicators; and IMF staff calculations.

better health outcomes for women and children, increased female labor force participation, and faster economic growth, and fairer and more stable societies (World Bank 2011).

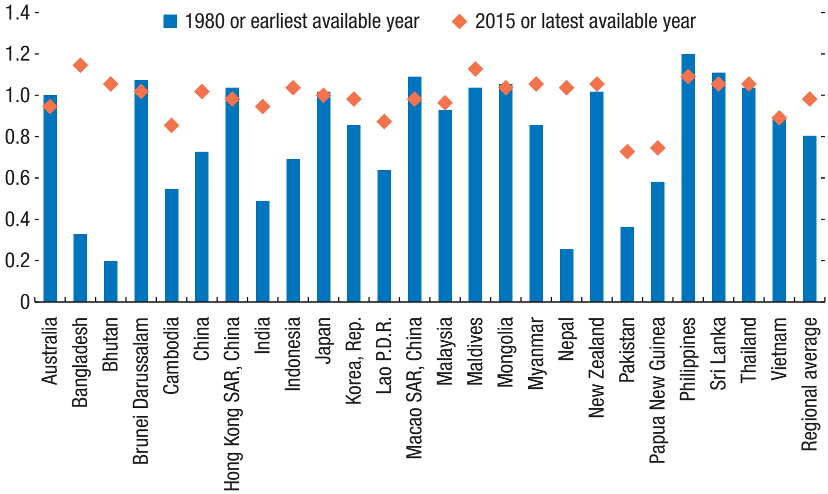
The region considered in this chapter covers 25 countries, grouped according to the IMF classification: six advanced economies, 10 emerging markets, and nine low-income and developing countries.[4] Figures 3.1–3.4 show various indicators of gender inequality in the region and the notable progress most of the countries have achieved in recent years.[5] At the aggregate level, gender equality measured by the Gender Inequality Index (GII) (Figure 3.1), is improving across the region, with each country showing a reduction in inequality since 1990. The GII uses three components to measure the overall level of gender inequality in a country: (1) female reproductive health (maternal mortality and adolescent fertility rates), (2) women's empowerment (political representation and educational attainment at secondary and higher levels), and (3) labor market (female-to-male ratio of labor force participation rate) measures (see Stotsky and others (2016) for further details on the GII calculation).

Using data from the World Bank's World Development Indicators, Figure 3.2 shows the female-to-male ratio of gross secondary education enrollment rates in the region. In many countries, gender parity exists and, often, female enrollment rates exceed male rates. Bangladesh, Bhutan, and Nepal each had female-to-male

[4]The advanced economies are Australia, Hong Kong SAR, Japan, Korea, New Zealand, and Singapore. Emerging markets are Brunei Darussalam, China, India, Indonesia, Malaysia, Maldives, Pakistan, Philippines, Sri Lanka, and Thailand. Low-income and developing countries are Bangladesh, Bhutan, Cambodia, Lao PDR, Mongolia, Myanmar, Papua New Guinea, and Vietnam.

[5]Data may not be available for all countries for each indicator.

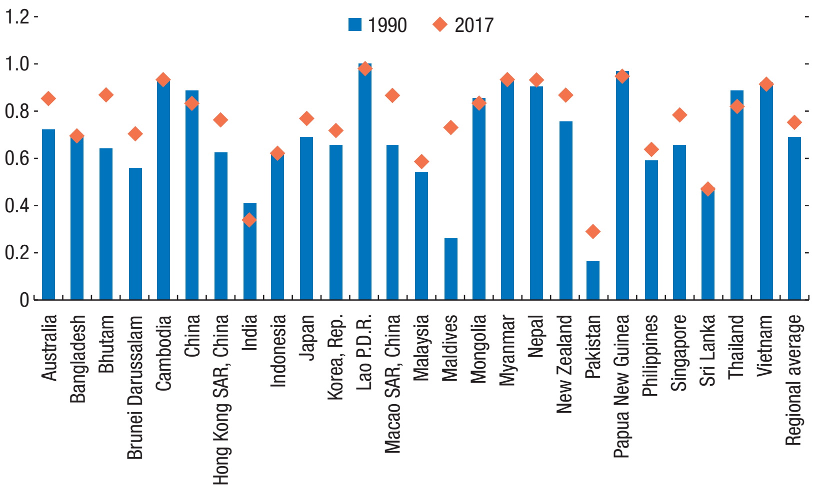
Figure 3.2. Gross Secondary School Enrollment
(Female-to-male ratio)



Sources: World Bank, World Development Indicators; and IMF staff estimates.

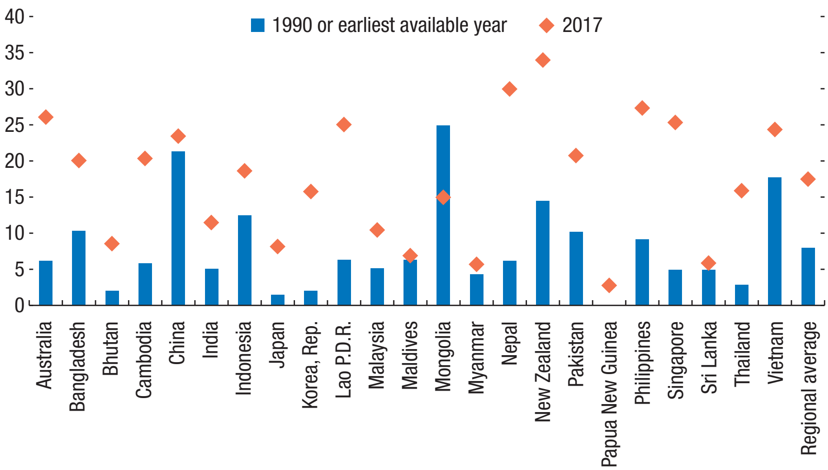
ratios well below 0.4 in 1980, but by 2015 had achieved gender parity or had more girls enrolled in secondary school than boys.

Figure 3.3. Labor Force Participation Rate (Percent of Population 15 and Older)
(Female-to-male ratio)



Sources: World Bank, World Development Indicators; and IMF staff estimates.

Figure 3.4. Seats Held by Women in National Parliaments
(Percent of total)



Sources: World Bank, World Development Indicators; and IMF staff estimates.

Sizable gender gaps in labor force participation rates can still be found in the region, however, and in some countries the female-to-male ratio was lower in 2017 than in 1990. Overall, though, the regional average for the female-to-male ratio in labor force participation has increased by almost 6 percentage points since 1990.

Women in the region now hold more seats in national parliaments than in 1990; over the past three decades, the share of women in parliament has increased by almost 10 percentage points. Australia, Lao P.D.R., Nepal, and the Philippines have all seen their shares increase by at least 20 percentage points (Figure 3.4).

Table 3.1 offers a snapshot of the fiscal environment in Asia and the Pacific from 2012 to 2015. On average, the region had a budget deficit of approximately 2 percent of GDP. Expenditures on human development, such as in education and health, averaged less than 4 percent of GDP.

The last column shows the overall score for Public Expenditure and Financial Accountability, which assesses public financial management systems in developing countries; thus, it is not available for all countries in the region. Higher scores indicate stronger public financial management, and the relatively low scores in a few of the countries signal the need to strengthen fiscal administration. As the IMF (2017) points out, sound public financial management institutions, integrated into the various stages of the budget cycle, can support improvements in gender-related outcomes and thus play an important role in operationalizing gender budgeting.

Fiscal policies can play an important role in promoting gender equality and women's development. Government budgets may have a differential impact on

TABLE 3.1.

Fiscal Context of Gender Budgeting in Asia

Country	Fiscal Aggregates[1] (average 2012–15, unless otherwise indicated)[2] (percent of GDP)						Public Financial Management
	Total revenue	Total expenditure	Overall[3] balance	Gross[4] debt	Education[5] expenditure	Health[6] expenditure	Public Expenditure and Financial Accountability (PEFA), overall score[7]
Australia	33.9	36.9	−3.0	32.4	5.2	6.3	n.a.[8]
Bangladesh	10.8	14.2	−3.3	34.0	2.0	0.9	2.1
Bhutan	28.5	31.3	−2.8	96.1	4.8	3.1	3.0
Brunei Darussalam	39.9	34.7	5.2	2.4	3.0	2.3	n.a.
Cambodia	18.3	20.1	−1.8	33.1	2.6	1.4	2.1
China	28.4	29.7	−1.3	40.4	n.a.	3.0	n.a.
Hong Kong SAR, China	20.6	18.3	2.3	0.3	3.5	n.a.	n.a.
India	20.0	27.4	−7.3	66.9	3.6	1.3	2.6
Indonesia	16.4	18.5	−2.1	24.9	3.2	1.1	2.8
Japan	32.7	39.9	−7.2	244.9	3.8	8.5	n.a.
Korea, Rep.	21.4	20.8	0.6	34.2	4.6	3.9	n.a.
Lao PDR	23.7	27.1	−3.4	62.6	2.8	0.9	n.a.
Macao SAR, China	38.2	15.5	22.7	0.0	2.7	n.a.	n.a.
Malaysia	23.8	27.2	−3.4	55.9	5.8	2.2	n.a.
Maldives	30.2	38.6	−8.4	66.5	5.6	7.8	2.0
Mongolia	28.6	37.9	−9.3	n.a.	4.6	2.4	n.a.
Myanmar	22.4	24.5	−2.2	33.7	n.a.	0.7	1.5
Nepal	19.8	18.9	1.0	30.7	4.4	2.6	2.2
New Zealand	34.2	35.2	−1.0	31.0	7.1	9.3	n.a.
Pakistan	14.1	20.9	−6.8	64.5	2.3	1.0	2.5
Papua New Guinea	27.4	33.9	−6.5	34.3	n.a.	3.8	n.a.
Philippines	19.0	18.8	0.2	38.3	3.4	1.4	2.0
Singapore	21.7	17.2	4.4	101.2	3.1	1.7	n.a.
Sri Lanka	12.4	18.5	−6.1	76.8	1.9	1.7	n.a.
Thailand	21.9	22.2	−0.3	42.7	4.6	5.3	3.1
Vietnam	22.4	29.2	−6.7	53.9	6.3	3.5	2.4
Regional average	**24.3**	**26.1**	**−1.8**	**52.1**	**3.9**	**3.2**	**2.4**

Sources: IMF, *World Economic Outlook* (WEO); World Bank Development Indicators (WDI); and IMF staff calculations.
[1]All figures except for health and education expenditure are drawn from the latest WEO publication, and the concept of government corresponds to that in the WEO. Please see the WEO for further details. Health and education expenditure are drawn from WDI and correspond to the general government concept.
[2]The figures are based on the average over the number of years in this period for which data were available.
[3]Corresponds to the concept of total revenue minus total expenditure.
[4]Gross debt does not net out holdings of debt by other entities of the government.
[5]The figures for education expenditure are based on 2010–13 averages or the number of years for which data are available in this period. The 2013 data are the latest available.
[6]The figures for health expenditure are based on 2011–14 averages or the number of years for which data are available in this period. The 2014 data are the latest available.
[7]PEFA is a performance monitoring framework used to assess the public financial management systems in developing countries. It is an initiative jointly supported by the World Bank, IMF, European Commission, and other development and government institutions. The framework consists of 28 indicators with each indicator scored on a scale from A (highest) to D (lowest). PEFA scores reported above are an average of the 28 indicators and convert the four ordinal PEFA scores (A,B,C,D) to numerical scores (4,3,2,1) with "+" score given 0.5 point. A higher PEFA score implies stronger administration of public finance. On a global basis, the lowest score is 1.1 and the highest score is 3.6. Please see https://www.pefa.org/ for further details.
[8]Data are not available.

women than on men (Elson 2002; Stotsky 2016), and governments should analyze how their policies can promote gender equality in laws, regulations, and practices governing the budget. We now offer short summaries of four significant gender budgeting efforts in the region followed by an analysis of the trends of key gender equality indicators.

Australia

Gender budgeting in Australia has been used to achieve a wide variety of goals, including increased access to education, childcare, and health services; higher rates of female labor force participation; and reduced violence against women. Sharp and Broomhill (2013) summarize 30 years of Australia's federal-level gender budgeting efforts. Beginning in 1983, Australia produced an annual federal Women's Budget Statement that highlighted policies and initiatives focused on gender equality and increased government transparency and accountability. The Office of the Status of Women led the implementation of this effort, and by 1985 all departments and agencies were required to provide sex-disaggregated data and examine how their programs affected women. This requirement extended beyond expenditure programs to include initiatives under the tax system such as family and education taxes.[6]

The earliest Women's Budget Statements succeeded in raising awareness about relatively low funding for programs targeted to women, calling attention to how federal budgets were not "gender neutral" and acknowledging women's disproportionate responsibility for unpaid work. The Organisation for Economic Co-operation and Development (OECD 2014) notes that, between 1985 and 1996, federal assistance to families with children and the elderly increased by 27 percent and 24 percent, respectively; in addition, there was a five-fold increase in the number of childcare centers. In the 2002–03 Federal Statement, the government introduced a "baby bonus" to address falling birth rates, and in 2004–05, a lump sum maternity payment was added. Efforts aimed at increasing female labor force participation led to increased spending on childcare and the introduction of paid parental leave. However, Australia did not develop a legal framework or mandate for its gender budgeting initiative, and the last national-level women's budget statement was released in 2013. In the absence of a formal national-level government women's budget statement, the civil society group, the National Foundation for Australian Women, examined the impact of the budget on gender equality and produced its own statement in 2014.

The country had gender budgeting at the subnational level, although the efforts ended after the Australian Capital Territory published the last women's budget statement in 2007 (Sharp and Broomhill 2013). More recently, though, the state of Victoria has introduced a gender equality strategy, Safe and Strong, that acknowledges the importance of establishing a legal framework for gender

[6]Details on Australia's early gender budgeting efforts were obtained from the country's response to the IMF questionnaire.

equality governance structures, using gender budgeting and gender impact analysis, and examining the state's public sector employment practices. Under this strategy, the state plans to tackle a range of gender equality issues, such as violence against women, financial security, education and training, and health and well-being.

India

Gender budgeting was first mentioned in India's Tenth Five Year Plan, 2002–07 (Kanwar 2016), and since then the country has incorporated both expenditure and revenue policies designed to reduce gender inequality. Although the Ministry of Finance played an active role in introducing gender budgeting, Kanwar (2016) notes that its engagement in recent years has been more limited, with the Ministry of Women and Child Development taking the lead. The use of revenue policies, although somewhat limited, sets India's effort apart from other nations, as most countries have typically focused squarely on expenditures to promote gender equality. Furthermore, India has national- and state-level gender budgeting, with 18 of the 29 states and union territories implementing some form of gender budgeting (Kanwar 2016).

The gender budget statement serves as an instrument that can potentially identify gender equality goals and budget allocations. The statement is separated into two parts, per the guidelines issued in the budget call circular: Part A focuses on programs that are 100 percent women-specific, and Part B reflects those programs where at least 30 percent of the allocations are for women. The statement is publicly available.[7] However, as UN Women (2016) points out, the statement is not clearly linked with the budget-planning process and could suffer from arbitrary or inaccurate reporting. It was first introduced in the 2005–06 budget and covered the allocations for nine departments and ministries; the percentage of the budget dedicated to gender equality programs and issues was 2.8 percent. The 2015–16 version covered 35 ministries and departments and represented 4.5 percent of the total budget, while the 2016–17 statement saw an increase in spending on gender-related programs to 5.2 percent of the total budget.

As in many emerging and developing countries, India's gender equality goals typically focus on improving girls' access to and enrollment rates in education, addressing health needs, and investing in infrastructure. In the 2013–14 budget for example, 94 percent of funds allocated under Part A of the gender budget statement were for health and social welfare programs, followed by economic empowerment, then education and literacy at roughly 3 percent each. The 2017–18 gender budget includes programs to reduce maternal mortality rates and violence against women, provide childcare for working mothers, offer incentives for girls enrolling in training and education, and improve nutrition, for example.[8] Programs such as Beti Bachao Beti Padhao (Save the Daughter, Educate the Daughter) work to address social biases and preferences toward male children and

[7]The 2016–17 Statement is at http://indiabudget.nic.in/ub2016-17/eb/stat20.pdf.

[8]Expenditures for 2017–18 are at http://indiabudget.nic.in/ub2017-18/eb/stat13.pdf.

reduce potential barriers that girls face early in life, including child marriage, violence, and lack of education.

The Ministry of Women and Child Development published a handbook that provides sectoral ministries with an introduction to gender budgeting.[9] The handbook offers details on the gender budget statement and how to incorporate gender into the budget process at the national and state levels. Monitoring and evaluation, data collection, and international examples of gender budgeting efforts are also included. Using the Beti Bachao Beti Padhao campaign as an example, the handbook explains the importance of collecting and examining sex-disaggregated data as part of a well-designed gender budgeting effort. The government chose Panipat, Haryana, as the launch site for the campaign because sex-disaggregated data show that the sex ratio at birth in 2011–13 was the lowest in the state of Haryana (864 female live births per 1,000 male live births) compared to states such as Kerala (966) or Chhattisgarh (970).

State-level gender budgeting efforts in India represent a diverse set of approaches, with models in some states, such as Madhya Pradesh, mimicking the national model through their use of gender budget statements. Karnataka, an early adopter of gender budgeting, has set up a gender audit process. In Kerala, the 2017–18 Gender and Child Budgeting plan calls out two target areas: (1) skill development, employment generation, and livelihood security with a priority to vulnerable women; and (2) preventing violence against women. To achieve these goals, the budget includes planned allocations aimed at supporting entrepreneurship, skills training and development, childcare, and gender-friendly infrastructure, among other programs.[10]

Civil society organizations have played an essential role in sustaining gender budgeting work in India at both the national and subnational levels. The Centre for Budget and Governance Accountability analyzes national government budgets and processes, while state-level budget groups work to include gender perspectives in the budget process (Kanwar 2016). Donor support has help develop and sustain gender budgeting in India.

Korea

Parliament has played an important role in the country's gender budgeting effort. Data on female parliamentarians from the World Bank's World Development Indicators show that in 1997 women comprised 3 percent of the lower house of parliament; by 2000 this number had increased to almost 6 percent, and by 2004 to 13 percent. As Ichii and Sharp (2013) note, starting in 2002, members of the Gender Equality and Family Committee of the Korean National Assembly called for a resolution to enact gender budgeting, which was adopted.

[9]The handbook is at http://wcd.nic.in/sites/default/files/GB%20-%20Handbook%20October%202015.pdf.

[10]The Gender and Child Budgeting plan is at https://kerala.gov.in/documents/10180/ce9275b8-d3de-4946-b57d-38ec980ca3d9.

Members attended various workshops and seminars, and the country launched a campaign to garner public support for gender budgeting.

Fiscal reforms to the medium-term budget framework and the use of performance-based budgeting provided an opportunity for the country to integrate gender-based goals into the budget. During this process to overhaul the budget framework, a female parliamentarian cast the tie-breaking vote in the National Assembly Steering Committee with the condition that gender budgeting be included in the fiscal reforms. Legally mandated in 2006 under the National Finance Act, the gender budgeting effort in Korea required that agencies and ministries submit gender budgets and gender balance reports beginning in fiscal year 2010. The law also required the government to evaluate the impact of the budget on both men and women and whether the budget addresses gender discrimination. The Ministry of Strategy and Finance, in partnership with the Ministry of Gender Equality and Family, and the Korean Women's Development Institute lead the gender budgeting work. The Korean Women's Development Institute has also conducted research on gender budgeting; its primary objective is to develop a framework to incorporate gender budgeting into the country's medium-term expenditure framework (IMF 2017).

More than 40 government ministries and agencies complete gender budget statements, and the total amount spent on gender-related programs represents approximately 7 percent of the total yearly budget. Key focal ministries include the Ministries of Agriculture and Forestry, Education and Human Resources, Government and Home Affairs, Health and Welfare, Justice, and Labor, with approximately 70 percent of spending on gender-related programs devoted to social welfare benefits.[11] Examples of programs under the gender budgeting initiative include those dedicated to addressing infrastructure deficiencies and the unpaid time burden of women. For instance, the government introduced programs to reduce the number of hours women spend on unpaid work, thereby potentially allowing them to join the workforce.

Korea's gender budgeting program features an effort to monitor outcomes and spending, making it one of the few countries to do so. Each year, the National Assembly reviews the gender budget statements while the Board of Audit and Inspection audits the gender budget balance sheet; this allows the government to monitor whether the performance objectives included in the statements were achieved.

Philippines

The Philippines began gender budgeting in 1995 through its Gender and Development Budget Policy, with the Philippine Commission on Women taking the lead. This effort included a legal requirement that all departments, ministries, and agencies earmark at least 5 percent of their budgets for expenditures on programs for women. Three years later, the earmark requirement was expanded to

[11]Figures are based on government response to the IMF questionnaire.

include local governments and colleges and universities. As Chakraborty (2016) and UN Women (2016) both note, though, this approach had several drawbacks. First, government agencies were not penalized for missing the 5 percent target, meaning that many departments simply had unspent funds at the end of each fiscal year. Furthermore, government staff often had a limited understanding of gender needs and issues, which may have led to inefficient or wasteful spending.

In an effort to strengthen the Gender and Development Policy, the country issued a joint circular in 2012 to provide agencies with guidelines on preparing, implementing, and monitoring annual Gender and Development Plans.[12] In addition, agencies were expected to conduct gender audits and institutionalize the use of sex-disaggregated data (Kanwar 2016). The Philippine Commission on Women, the Department of Budget and Management, and the National Economic and Development Authority share responsibility for implementing and monitoring the Gender and Development Policy (UN Women 2016), with civil society organizations playing a watchdog role over this process (Chakraborty 2016).

A few localities have introduced gender budgeting as well. In Sorsogon, the effort focused on health goals, while in Hilongos, the goal was to strengthen women's earning opportunities in the agricultural sector. Infanta's effort addresses access to credit/finance and licensing procedures to encourage female entrepreneurship. Local-level gender budgeting, though, is neither widespread nor systematic.

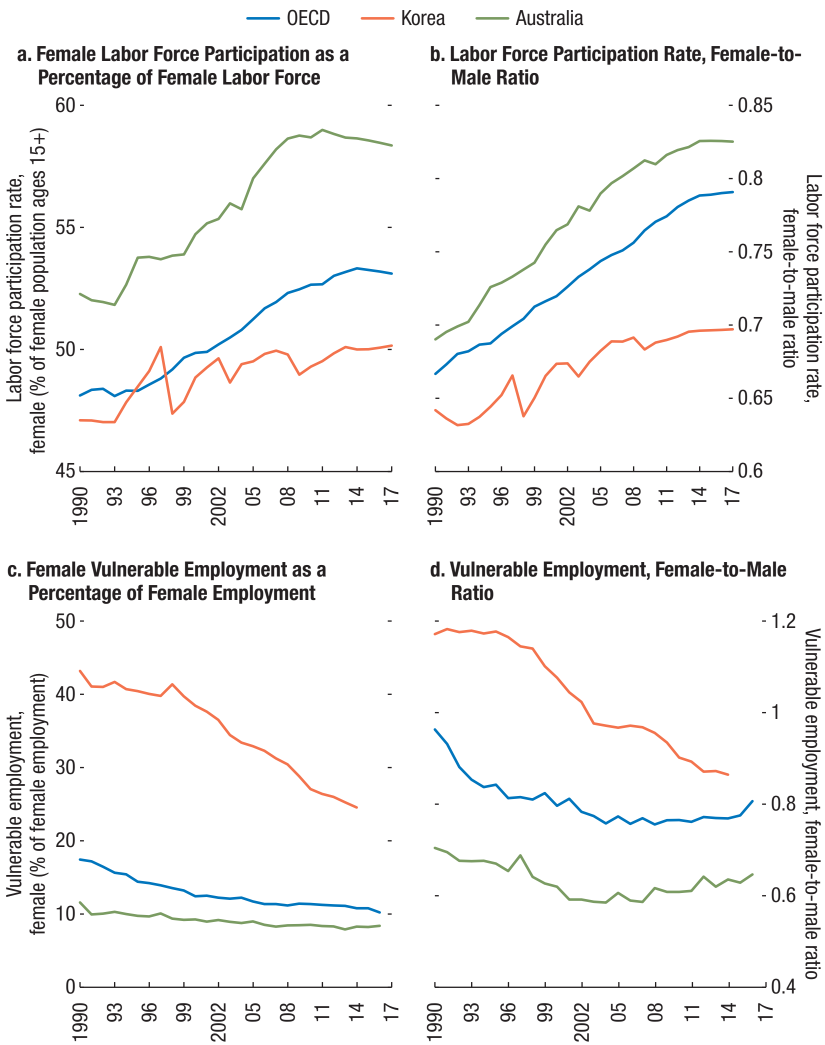
IMPLICATIONS OF GENDER BUDGETING THROUGH TRENDS ANALYSIS OF KEY INDICATORS

Gender budgeting programs often try to address gaps in education, health outcomes, and women's economic and/or political empowerment. This section examines several indicators in these areas. Recall that overall gender inequality, as measured by the aggregate Gender Inequality Index, has been declining across the region (Figure 3.1). To try to assess the relationship between gender budgeting and indicators of gender equality and the advancement of women, we compare Australia and Korea to OECD counterparts, and India and the Philippines to their regional lower-middle-income country counterparts. Turning first to Australia and Korea, we examine the countries' performance in labor market outcomes, as each country identified increasing female labor force participation as a goal. Note that although gender budgeting began in the early 1980s in Australia, data for many of the indicators are not available before 1990.

Australia's gender budgeting program included a focus on increasing female labor force participation through increased spending on childcare and the introduction of paid parental leave. Australia's female labor force participation rate increased by more than 6 percentage points from 1990 through 2016 (Figure 3.5a),

[12]Joint Circular 2012–01 is at http://www.pcw.gov.ph/sites/default/files/documents/resources/pcw-neda-dbm-jc-2012-01.pdf.

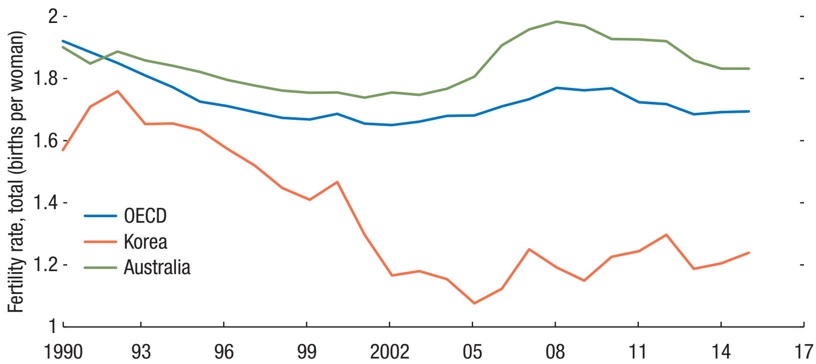
Figure 3.5. Female Labor Force Participation



Sources: World Bank, World Development Indicators; and IMF staff estimates.
Note: OECD = Organisation for Economic Co-operation and Development.

and the country outperformed its OECD counterparts over the entire time frame. Korea's female labor force participation rates are typically below the OECD average (except for a brief period in the mid-1990s) but have increased by 3 percentage points since 1990, and its percentage of women in vulnerable employment has steadily declined, to close the gap with its OECD counterparts (Figure 3.5c).

Figure 3.6. Fertility Rate



Sources: World Bank, World Development Indicators; and IMF staff estimates.
Note: OECD = Organisation for Economic Co-operation and Development.

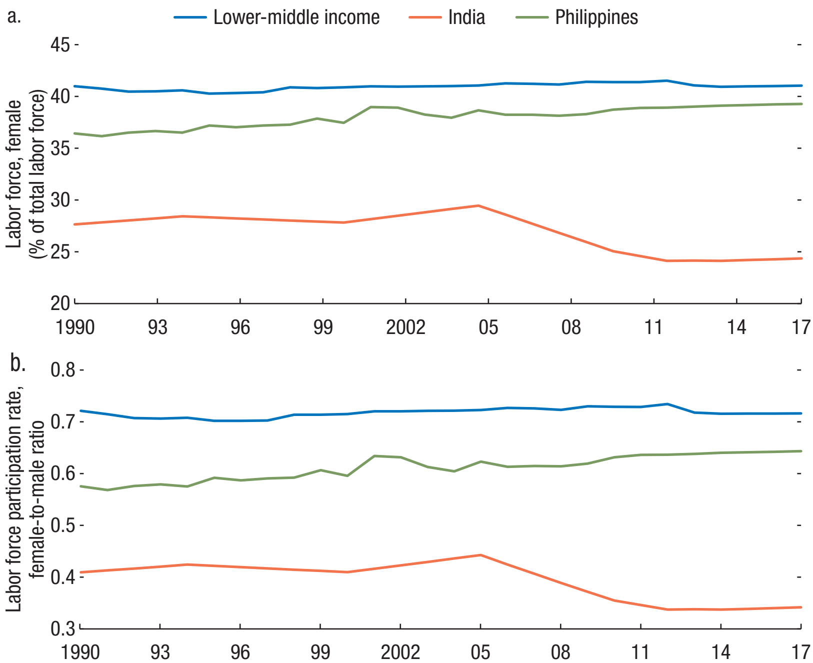
Note also that by 2003, the female-to-male ratio of workers in vulnerable employment had dropped below one, meaning that in Korea, the number of men in vulnerable employment, as a share of total male employment, was higher than the number of women (Figure 3.5d).

Although Korea's gender budgeting program was legally mandated starting in 2006, the first gender budget statement was not produced until 2010; thus, it may be difficult to associate any changes in gender equality outcomes with gender budgeting prior to 2010. The country also introduced an affirmative action program in 2006 aimed at increasing female labor force participation.

Australia's gender budgeting program contained a specific component focused on falling fertility rates.[13] Like their OECD counterparts, Australia and Korea experienced declining birth rates over the past several decades. However, the Australian government attempted to address fertility rates through its introduction of the "baby bonus" in 2002–03 and then in 2004–05 with a lump sum, non-means-tested maternity payment. The 2004–05 maternity payment was set at A$3,000, which was to be increased to A$5,000 by July 2008 (OECD 2004). The system for maternity payments changed in 2009, with the introduction of a A$75,000 income limit for recipients and payments being made in installments rather than as lump sums. Figure 3.6 shows that Australia's fertility rate was below or near the OECD average until the early to mid-2000s, when its fertility rate

[13]As IMF (2017) points out, gender equality policies may have different effects on the fertility rate. For example, policies aimed at increasing female labor force participation (reducing gender wage gaps, eliminating secondary earner tax biases) could encourage more women to enter the workforce and would likely lead to a decrease in fertility rates. Other policies, such as paid maternal or parental leave, access to high-quality childcare, and Australia's baby bonus, would serve to reduce the costs of having children and could increase the birthrate.

Figure 3.7. Female Labor Force Participation Rates



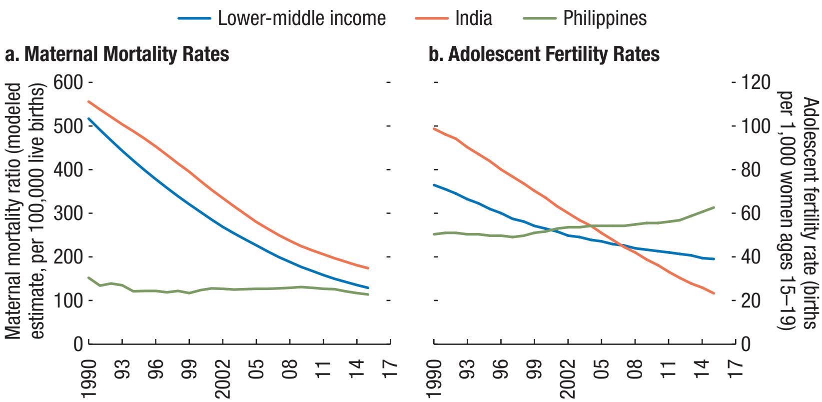
Sources: World Bank, World Development Indicators; and IMF staff estimates.

jumped above the average of its counterparts. In 2000, the number of births per woman in Australia stood at 1.8, but by 2008, when non-means-tested, lump sum payments reached $A5,000, the fertility rate reached two births per woman. A fuller analysis of the causal relationship between Australia's baby bonus program and the fertility rate could provide further insight into whether gender budgeting was the driving factor behind the increase in fertility rates or if Australia's increase was due to other factors. For instance, the OECD average over the same time period shows an increase, though not as marked as that in Australia.

We now analyze trends in gender equality in India and the Philippines and compare their performance to other lower-middle-income countries in the region.[14] Figures 3.7a and 3.7b provide data on female labor force participation as a share of the total labor force and the female-to-male ratio of labor force participation. While the percentage of women working in the Philippines increased slightly from 1990 through 2016, India experienced a decline of approximately 5 percentage points from 2005 through 2012. In both countries,

[14]Comparison countries include Bangladesh, Bhutan, Cambodia, Indonesia, Lao PDR, Mongolia, Myanmar, Pakistan, Sri Lanka, and Vietnam.

Figure 3.8. Reproductive Outcomes



Sources: World Bank, World Development Indicators; and IMF staff estimates.

the female labor force participation rate and the ratio of the female-to-male labor force participation rate are below those of their peer countries. The Philippines, however, was able to narrow the gap between female and male labor force participation rates by almost 8 percentage points, from a high of 35 points in the early 1990s to its lowest gap of 28 points in 2017. By the mid-2000s, India, on the other hand, began to see a widening in the gender gap in labor force participation, reaching 52 percentage points by 2011 and remaining at this level through 2017.[15]

In its Tenth National Development Plan (2002–07), India called for maternal mortality to be reduced to two per 1,000 live births by 2007 and one per 1,000 live births by 2012. The plan further discussed high fertility rates, due in part to the unmet need for contraception and high infant mortality rates. As part of its gender budgeting efforts in later years, it allocated the bulk of its gender budget expenditures to health and social welfare programs in 2013–14, while its 2017–18 gender budget addressed, among other issues, maternal mortality and nutrition. Although the country has not reached the maternal mortality objectives included in its Tenth Plan, the ratio continues to fall each year (Figure 3.8a). Adolescent fertility rates in India fell from almost 100 births per 1,000 women ages 15–17 in 1990 to 23 births in 2015, a rate that is about half that of India's lower-middle-income peers (Figure 3.8b). Finally, the use of contraceptives among women ages 15–49 increased in India to above 55 percent in 2008 from a rate closer to 40 percent in the mid-1990s.

[15]From 1990 to 2017, the average gender gap in India's population was approximately 3.6 percentage points.

TABLE 3.2.

Child and Infant Mortality Rates

Country	Under–five Mortality Rate by Sex 1990			Under–Five Mortality Rate by Sex 2016			Infant Mortality Rate (under 1)	
	1990	Male	Female	2016	Male	Female	1990	2016
Brazil	64	69	59	15	16	14	53	14
China	54	56	52	10	11	9	42	9
India	126	122	130	43	42	44	88	35
Russian Fed.	22	25	18	8	9	7	18	7
South Africa	57	63	52	43	48	39	45	34

Source: UNICEF.

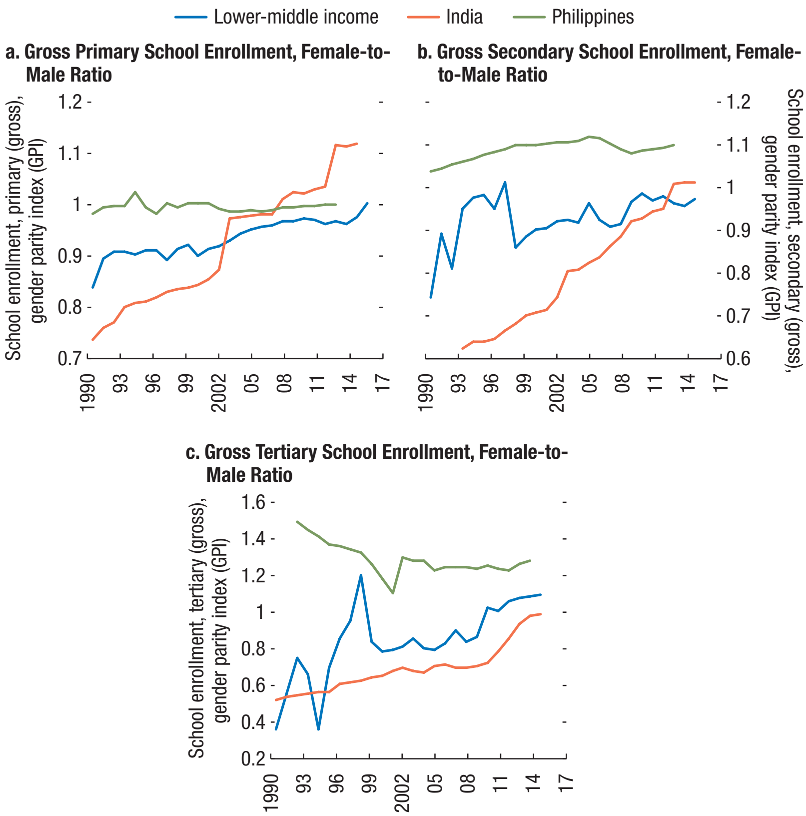
Child and infant mortality rates have also been cut in half or more since 1990 (Table 3.2). In 1990, India had an under-five mortality rate more than double that of South Africa, but by 2016, the two countries had the same rate. Infant mortality rates have also improved markedly in India, with the country cutting its rate by more than half, and again, on par with that in South Africa.

In their gender budgeting programs, both India and the Philippines addressed gender equality in education. For example, the Philippine Plan for Gender-Responsive Development 1995–2025 pointed out that in some cases, educational outcomes were better for girls than for boys, but that harassment, gender bias and stereotypes, and unequal access to services were issues that needed to be addressed (Illo and others 2010). India's national gender budgeting program offers incentives for girls enrolling in training and education and other programs such as Beti Bachao Beti Padhao.

Figure 3.9 shows the trends in the female-to-male ratio for gross primary, secondary, and tertiary school enrollment along with youth literacy rates. The Philippines has maintained near gender parity in primary school enrollment, while more girls than boys are enrolled in secondary and tertiary school. India lagged its lower-middle-income peers in all three levels of education, but by the mid-2000s it had reached gender parity in primary school enrollment and thereafter saw more girls than boys enrolled. Gender parity in secondary school enrollment came in 2013, when India outperformed its peers. Regarding gender equality in tertiary school enrollment, India has nearly achieved gender parity, but both the Philippines and the regional counterparts have more women than men enrolled in tertiary education. Youth literacy rates for girls in the Philippines are slightly above those for boys. Girls trail boys in India in terms of literacy rates, but the country has been making steady improvements since 2000, with female literacy rates increasing from 68 percent in 2001 to 81 percent in 2011.

Stotsky and Zaman (2016) provide empirical evidence for the efficacy of India's gender budgeting efforts regarding primary school enrollment. That is, using generalized method of moments regressions, the authors show that gender equality in primary school enrollment was higher in Indian states that had introduced gender budgeting compared to states that had not. No significant effect was found for secondary school enrollment. These results offer preliminary

Figure 3.9. Education Rates



Sources: World Bank, World Development Indicators; and IMF staff estimates.

evidence that gender budgeting can have a positive impact on addressing gender inequality; however, as the authors note, studies using household-level data and disaggregated fiscal data would be beneficial.

CONCLUSIONS

Throughout the region, fiscal policies have been used to further gender equality objectives. While most countries adopted a national-level approach to gender budgeting, India and the Philippines introduced local- and state-level initiatives. Gender budgeting efforts aimed to reduce poor health outcomes, improve access to education, and increase female labor force participation through a variety of methods and programs. In India and Korea, the Ministry of Finance took on a leadership role, and both countries have included gender budgeting as part of their organic finance laws or other finance laws. In Australia and the Philippines, civil society organizations have played a more instrumental role than the ministries of finance, and the countries have not adopted legislation mandating gender budgeting. Gender budgeting efforts have evolved over time; for example, the Philippines moved away from its initial 5 percent earmarking approach to adopt a results-based gender budgeting approach.

As countries look to expand and improve gender budgeting in the region, they could consider examining revenue-side policies, such as allowing tax deductions for childcare or removing tax credits or deductions that are not gender neutral.[16] Collecting and analyzing gender-disaggregated data could help improve fiscal policy decisions. Countries could issue gender budgeting statements, such as those produced in Australia, India, and Korea, to improve transparency. In addition, countries should incorporate monitoring, auditing, and evaluation, such as in Korea, to further strengthen gender budgeting programs, improve tracking and expenditure management, and increase transparency.

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[16]According to the 2017 World Bank Women, Business, and the Law database, Cambodia, Indonesia, Malaysia, and the Philippines have tax credits or deductions that are specific to men.

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ANNEX 3.1.

Asia

	Australia	India	Korea	The Philippines
ORIGINS				
Does the government have a gender budgeting initiative	Yes	Yes	Yes	Yes
If yes, start year	1983	2002	2009	1995
If any, end year	2014			
Supported by international organizations or bilateral aid agencies	No	No	Yes	Yes
Tied to MDGs or national development plan or gender equality strategy	No	Yes	Yes	Yes
SELECTED COMPONENTS OF FISCAL POLICY				
Focus on spending	Yes	Yes	Yes	Yes
Spending focus on key human development (education and health)	Yes	Yes	Yes	Yes
Spending focus on physical infrastructure (transport, water, electricity, and energy)	No	Yes	No	Yes
Spending focus on justice and security (violence against women, judicial assistance)	Yes	Yes	Yes	Yes
Spending focus on jobs, entrepreneurship, wages etc	Yes	Yes	Yes	Yes
Structural reforms in spending (subsidies, transfers, incentive or distributional objectives)	Yes	Yes	Yes	Yes
Focus on revenue	Yes	Yes	No	No
Personal income tax focus	Yes	Yes	No	No
Other tax focus, including general or selective sales and trade	No	No	No	No
INDICATORS TO PLACE GENDER BUDGETING IN THE FISCAL PROCESS				
Broad statement of goals of Minister of Finance	No	Yes	Yes	No
Gender budgeting statement in budget documentation	Yes	Yes	Yes	Yes
Gender budgeting circular or related to instruct the bureaucracy	No	Yes	No	Yes
Gender budgeting in planning and programming	No	Yes	Yes	Yes
Gender budgeting outcome report or audit	No	Yes	Yes	Yes
Explicit reporting on gender equality spending	No	Yes	Yes	Yes
LEGAL BASIS				
Gender budgeting has constitutional standing	No	No	No	No
Gender budgeting is incorporated in organic budget or other finance laws	No	Yes	Yes	Yes

ROLE OF GOVERNMENT				
Ministry of Finance lead entity	No	Yes	Yes	No
Other ministries play consequential role and which	Yes; The Office of the Status of Child	Yes; Ministry of Women and Child Development	Yes; The Philippine Commission on Women	Yes; The Korean Women Development Institute; Gender Budgeting Task Force
Subnational government	Yes	Yes	Yes	Yes
ROLE OF CIVIL SOCIETY				
Significant encouragement or participation of civil society	Yes	Yes	Yes	No

CHAPTER 4

Europe

Sheila Quinn

Gender budgeting has attracted considerable attention in Europe over the past few decades. A burgeoning momentum during the early 2000s saw a full range of stakeholders promote a broad swath of activities under the rubric of gender budgeting. At that time, there was an expectation that gender budgeting would "liberate" and "elevate" gender, and gender mainstreaming, to the level of macroeconomic policy and thus expedite the realization of oft-projected gender equality goals (Holvoet 2006). In return, advocates offered that gender budgeting would contribute to the goals of efficiency, economy, and effectiveness (Sharp 2003).

This chapter gives an overview of gender budgeting in Europe, with a particular focus on institutional mechanisms and operational methodologies. Gender mainstreaming—the strategy that calls for the consideration of a gender perspective in the development and implementation of all government policies—had largely failed to penetrate the domain of fiscal policy. Gender budgeting, as discussed in more detail in the introduction, challenges the traditionally held view of the budget as a gender-neutral instrument. Its introduction has gone some way to counter the reluctance—and even resistance—of finance departments to the notion of advancing equality through their mandate.

Gender budgeting in Europe has focused almost exclusively on addressing gender-related goals through the expenditure side of the budget (Elson 1998). Some European countries have, however, incorporated gender-related goals into revenue and welfare policies, important areas for women's economic empowerment.

Case studies from Europe illustrate a range of approaches; in some instances, national and regional governments have legislated for gender budgeting (such as Austria, Belgium, and Andalucía); others have initiated changes to the institutions of the budget (such as Albania, Belgium, and Iceland); while others have recommitted to the fundamental concept of marrying equality policy with economic policy (such as Finland, Iceland, and Sweden). Alongside this, civil society organizations have brought the focus squarely on revenue policy, particularly taxation, and on welfare benefits—dimensions of the budget largely outside the reach of government-led gender budgeting initiatives.

The chapter explores the state of gender budgeting in Europe, its contribution to the broader agenda of gender equality and women's empowerment, and how

European countries might leverage the change in institutions, law, and practice to move things forward.

The discussion begins with an overview of how the European Union (EU) has influenced the evolution of gender equality policy, not only within its member states but also across the broader European continent. Case studies on the most significant European gender budgeting initiatives follow, with examples from Western Europe and emerging markets in the region.

It is beyond the scope of the chapter to evaluate the impact of gender budgeting on gender equality outcomes. The survey does illustrate, however, the level of commitment of many countries to gender budgeting and is timely in pointing to the need for evaluations of these important initiatives.

After the case studies, the discussion turns to how revenue policy has been treated within the frame of gender budgeting in Europe, and the chapter finishes with a discussion on the role of civil society in gender budgeting.

THE EU'S GENDER EQUALITY POLICY

The history of EU gender equality policy dates to the first EU gender directive in 1975 on the gender pay gap (Table 4.1). Following the 1995 UN World Conference on Women in Beijing, the EU endorsed gender mainstreaming as a guiding strategy toward gender equality and set about promoting the consideration of gender equality in all policy domains. In 1999 the Treaty of Amsterdam included the promotion of equality and the elimination of discrimination between men and women among the EU's fundamental tasks.

Over the years, a number of gender-equality-related directives were issued, and in 2006 these were brought together in the so-called Recast Gender Directive. In one text, the aim was to clarify the main provisions regarding access to employment, including promotion; vocational training; working conditions, including pay; and social security schemes (NLEGE 2014).

On aggregate, the EU has had a positive influence on the development of gender equality policy, not only on its member states but also on other European countries, where candidacy for accession or other aid-related relationships require countries to work toward compliance with EU norms.[1] It has been argued that some European countries, including some member states, would not have been as open to the gender equality agenda were it not for the influence of the EU (Rubery 2015). While some countries have retreated from full compliance in the post-accession period (see, for example, Bretherton 2001; Sedelmeier 2009), the legislative harmonization brought about by the implementation of the Employment and Social Affairs Chapter of the *acquis communautaire* has legitimized women's claim to genuine equality (Sloat 2004). Nevertheless, the

[1]Twenty-eight of the 47 countries in Europe are members of the EU. Of the remaining 19, six are candidates and most, if not all, others have some formal agreement with the EU.

TABLE 4.1.

EU Policy Mechanisms and Milestones

Policy Mechanisms	Policy Milestones
EU Treaty Treaty of Rome 1957 but revised (and renamed) when member states agree to changes to rules and scope of EU actions	Equal pay included in the original Treaty of Rome. The Treaty of Amsterdam (1997) stipulated the promotion of equality between women and men as one of the EU's fundamental tasks.
Hard law **EU directives** (laws passed by the EU that must be implemented in national law) **Interpretations of directives by European Court of Justice** (ECJ), which may override national interpretations	Equal pay and sex discrimination directive passed in the mid-1970s. ECJ interpreted this to include indirect sex discrimination. Other directives on maternity leave, parental leave, and equal treatment for part-time workers passed in the 1990s. Consumer rights directives were passed in 2004, amended in 2012.
Soft law **European Employment Strategy (EES):** Soft law that includes targets, plans, and recommendations but is voluntarist **Gender mainstreaming:** Voluntarist	Gender equality was central to EES up to 2005 (one of four pillars 1997–2003; and one of 10 guidelines, 2003–2005) . Gender mainstreaming of EES required from 1998. In 2000, a 60% target set for women's employment rate in 2010.
Financial flows **European structural funds:** Support for less developed regions	In 2002, targets set for childcare coverage by 2010. Gender equality and gender mainstreaming included in criteria for European social funds beginning in the 1990s.

Source: Rubery 2015, 722. Reprinted with permission from the author.

discussion here touches on the weakening of the EU's focus on the social agenda as a whole, particularly in relation to gender equality.

In line with, and to some extent because of, a Europe-wide policy push toward equal opportunities, and the ensuing increased participation of women in the labor market, there has been a change in the nature of gender relations across Europe. In addition to narrowing the gender employment gap, the rate of women entering higher education in most EU member states is higher than that of men, and the traditional nuclear family has, in some measure, given way to a diversity of partnership and family models. Nevertheless, Rubery (2015) argues that this "unstoppable revolution" in gender relations has failed to result in a major change in the domestic division of labor. On this basis, she concludes that progress toward gender equality remains highly dependent on public policy.

There has been concern about the weakening of the EU's social agenda, including its gender equality policy, for some time, and certainly prior to the recent financial and public debt crises (Crouch 2015). The downgrading of gender equality policy by the EU institutions is clearly detrimental to the overall project of gender equality. With a shift in focus to "objectives around children, family functioning and family life," recent and ongoing social policy reform "looks over (or overlooks) gender equality" (Daly 2011, 2).

This reality of a weakened social agenda across Europe and continuing austerity measures stemming from the global financial crisis, points to a closer examination of how gender as a category of analysis can be further integrated into the institutions of the budget. The lessons from gender budgeting can inform that goal.

The trajectory of the European Employment Strategy launched in 1997 illustrates the downgrading of gender equality as a policy orientation. The strategy is perhaps the principal soft law instrument pertaining to gender equality, given its economic focus. At the outset, equal opportunity between women and men was included as one of the strategy's four pillars, and in 1998 the guidelines included a specific instruction to mainstream gender equality.

In a related move, the EU Council of Ministers in 2000 targeted women's employment at 60 percent and men's at 70 percent (Rubery 2015). Throughout this period, the EU had a clear focus on increasing employment rates, and women were seen as central to achieving that objective (Barry 2014).

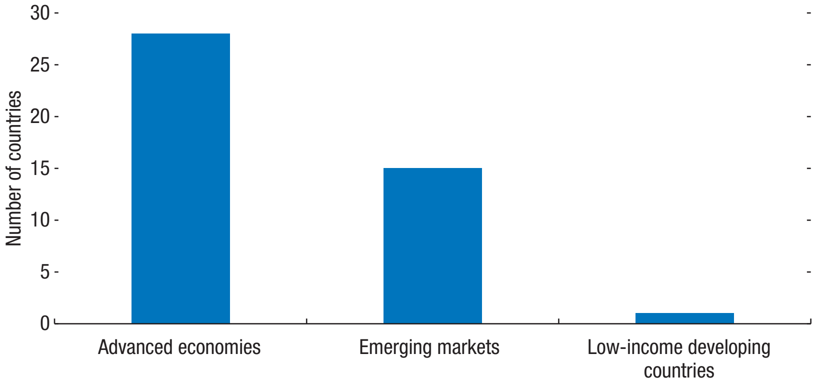
In 2003, however, the framework was abandoned and gender equality was relegated to one of 10 guidelines. Further changes in 2005 saw gender equality reduced to a principle articulated in the preamble to the new Broad Economic Policy Guidelines, eight of which related to employment. The most recent changes, in 2010, developed after the economic crisis, leave the principle of gender equality sidelined to the preamble and focus squarely on men's employment, seemingly overlooking the women's employment gains made during the implementation of the Lisbon process (Villa and Smith, cited in Barry 2014).

Rubery's (2015) treatment of the literature dealing with the erosion of EU policy on gender equality prior to the crisis of 2008 points to a number of fronts on which this downgrading was evident. These include the co-option and transformation of gender equality ideals to satisfy other policy objectives (Stratigaki, cited in Rubery 2015), such as relieving demographic pressures, promoting flexibility in the workforce to comply with market demands, and the "Make Work Pay" policy, designed to mitigate welfare dependency (Rubery 2015, 726).

While women's integration into the labor market has expanded, this has not resulted in increased economic independence or a lessening in the dual burden of paid work and unpaid work in the household (Pearson 2014; Pearson and Elson 2015). In addition, while women increased their share of the labor market, they are overrepresented in nonstandard jobs, with the added associated instability.

In some former Soviet Union countries, policy has shifted from gender equality to family policy (Sedelmeier 2009). Elsewhere, a traditionally conservative political perspective on gender norms and roles continues to influence policymaking, even in some EU founding member states. For some, notably Germany, the impact of recent family policies has served mostly as "emancipation for the privileged" while leaving low-income women worse off (Henninger and others 2008). On aggregate, this reinforces, rather than reduces, dependence on male breadwinners (Palier and Thelen 2010).

Figure 4.1. European Countries by Level of Economic Development



Source: IMF classification in the IMF World Economic Outlook (WEO) database.
Note: Advanced economies include: Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, San Marino, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom. Emerging markets include: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Macedonia FYR, Montenegro, Poland, Romania, the Russian Federation, Serbia, Turkey, and Ukraine. Moldova is low income.

Since the 2008 global financial crisis, there is growing evidence that gender equality policies have all but been abandoned, while both EU and national policies have favored neoliberal market-expanding approaches that are gender neutral on their face and, some would argue, effectively regressive in relation to gender equality (Daly 2011; Barry and Conroy 2014; Pearson and Elson 2015; and Rubery, 2015).[2]

Most European economies are considered advanced (Figure 4.1), some are emerging markets, and Moldova was considered a low-income economy as of 2014.

European countries generally enjoy a higher level of gender equality than other countries in the world. Table 4.2 presents individual indicators of equality. Women's labor force participation is on average about two-thirds that of men, while unemployment rates are about even. A wage gap remains, with women earning on an hourly basis on average about 80 percent of men.

Table 4.3, showing the fiscal aggregates, indicates that the public sector in Europe is large relative to the economy (measured by either revenues or expenditures as a share of GDP). The public sector in some of the advanced economies exceeds one-half of national income, while almost all countries have a public sector above 30 percent of national income. Some countries are heavily indebted, with debt-to-GDP ratios of over 100 percent.

[2]A forthcoming working paper examines the impact of European fiscal austerity measures on gender-related objectives.

TABLE 4.2.

European Gender and Income Equality Indicators

Country	GDI, Time-Consistent[1] (2013)	Gini Coefficient[2] (scale 0–100)	Gross Secondary Enrollment	Labor Force Participation Rate (ages 15–64)		Unemployment		Mean Monthly Earnings of Employees
			Female-to-male ratio	Female-to-male ratio	Female (percent)	Female-to-male ratio	Female (percent)	Female-to-male ratio
Albania	0.951	29.0	0.95	0.70	51.7	0.78	13.8	n.a.[3]
Austria	0.943	30.5	0.96	0.87	70.6	1.00	4.9	0.62
Belarus	1.012	26.0	0.96	0.89	62.2	0.59	4.3	0.77
Belgium	0.992	27.6	0.97	0.86	62.1	0.94	8.1	0.78
Bosnia and Herzegovina	n.a.	33.0	n.a.	0.63	42.0	1.15	30.9	n.a.
Bulgaria	0.990	36.0	0.96	0.89	63.7	0.86	11.9	0.81
Croatia	0.982	32.0	1.04	0.84	58.4	0.91	16.8	0.90
Cyprus	0.967	34.3	1.02	0.83	66.0	0.90	14.9	0.78
Czech Rep.	0.984	26.1	1.00	0.81	64.9	1.39	8.2	0.79
Denmark	0.983	29.1	1.01	0.94	75.5	1.09	7.3	0.85
Estonia	1.032	33.2	0.99	0.91	71.9	0.89	8.3	0.74
Finland	1.003	27.1	1.05	0.95	73.4	0.85	7.5	0.81
France	0.991	33.1	1.01	0.88	66.6	1.00	10.4	0.82
Germany	0.963	30.1	0.95	0.87	72.0	0.88	4.9	0.82
Greece	0.960	36.7	0.97	0.76	58.6	1.29	31.3	n.a.
Hungary	0.985	30.6	0.98	0.83	58.4	1.01	10.2	n.a.
Iceland	0.999	26.9	1.01	0.95	82.3	0.88	5.2	0.82
Ireland	0.973	32.5	1.02	0.81	62.6	0.72	10.8	0.73
Israel	0.969	42.8	1.02	0.88	67.0	1.02	6.3	0.66
Italy	0.966	35.2	0.99	0.72	53.7	1.13	13.1	n.a.
Kosovo	n.a.	26.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Latvia	1.019	35.5	0.97	0.93	72.5	0.89	10.5	0.83
Lithuania	1.028	35.2	0.96	0.94	71.4	0.80	10.5	0.86
Luxembourg	0.960	34.8	1.03	0.83	62.2	1.25	6.6	0.87
Macedonia, FYR	0.945	44.1	0.99	0.66	51.1	1.00	28.9	n.a.
Malta	0.949	n.a.	1.04	0.61	47.6	1.00	6.5	0.87
Moldova	0.993	28.5	1.02	0.90	43.7	0.63	3.9	n.a.
Montenegro	n.a.	33.2	1.01	0.79	52.1	1.09	20.8	n.a.
Netherlands	0.947	28.0	0.98	0.88	74.3	0.87	6.2	0.57
Norway	0.995	25.9	0.98	0.95	75.8	0.89	3.3	0.85
Poland	1.009	32.4	0.99	0.82	60.3	1.14	11.1	0.85
Portugal	0.983	36.0	1.00	0.91	70.1	1.01	16.6	0.79
Romania	0.988	27.3	0.98	0.78	56.9	0.84	6.6	0.89
Russian Federation	1.013	41.6	0.98	0.87	68.6	0.88	5.2	n.a.
Serbia	0.956	29.7	1.02	0.77	53.5	1.35	26.0	n.a.
Slovak Rep.	0.992	26.1	1.01	0.80	62.2	1.04	14.5	0.76
Slovenia	1.004	25.6	0.99	0.91	67.3	1.19	11.2	0.97
Spain	0.979	35.9	1.01	0.85	68.3	1.05	27.3	0.77
Sweden	1.008	27.3	0.98	0.94	78.6	0.96	7.9	0.86
Switzerland	0.961	31.6	0.97	0.88	78.0	1.05	4.5	0.77
Turkey	0.899	40.2	0.95	0.43	32.2	1.31	11.9	1.01
Ukraine	0.998	24.6	0.98	0.85	62.6	0.74	6.7	0.75
United Kingdom	0.965	32.6	1.00	0.86	70.3	0.89	7.0	0.64
Regional average	**0.980**	**31.8**	**0.99**	**0.83**	**63.4**	**0.98**	**11.5**	**0.80**

Sources: World Bank, World Development Indicators (WDI); Stotsky and others 2016; and IMF staff estimates.
Note: Values are for 2013 or latest year available.
[1]The GDI is an index of gender equality, which generally ranges from 0–1, with higher numbers signifying more equality; please see Stotsky and others 2016 for further details.
[2]A higher Gini coefficient implies more inequality.
[3]Data are not available.

TABLE 4.3.

European Fiscal Indicators

	Fiscal Aggregates[1] (average 2012–15; unless otherwise indicated)[2] (percent of GDP)					
Country	**Total revenue**	**Total expenditure**	**Overall[3] balance**	**Gross[4] debt**	**Education[5] expenditure**	**Health[6] expenditure**
Albania	25.2	29.8	−4.5	69.0	3.5	2.8
Austria	49.7	51.7	−1.9	83.2	5.6	8.4
Belarus	41.2	40.7	0.4	44.5	5.1	3.8
Belgium	51.9	55.1	−3.2	105.5	6.4	8.2
Bosnia and Herzegovina	45.1	47.3	−2.2	44.3	n.a.[7]	6.9
Bulgaria	34.0	36.2	−2.2	21.8	3.8	4.1
Croatia	42.6	47.7	−5.1	80.7	4.2	6.4
Cyprus	38.4	41.5	−3.0	99.7	6.7	3.4
Czech Republic	40.9	43.1	−2.3	43.4	4.2	6.3
Denmark	54.9	56.2	−1.3	45.0	8.6	9.4
Estonia	38.7	38.6	0.1	10.0	5.1	5.0
Finland	54.7	57.6	−2.8	57.5	6.7	7.1
France	52.9	57.1	−4.1	93.5	5.6	8.9
Germany	44.4	44.1	0.3	75.7	4.9	8.5
Greece	45.9	50.3	−4.4	173.2	4.0[8]	6.0
Hungary	47.2	49.6	−2.4	76.7	4.7	4.9
Iceland	43.4	44.6	−1.2	81.9	7.1	7.1
Ireland	33.7	38.5	−4.7	110.7	5.9	5.4
Israel	36.8	40.7	−3.9	66.7	5.6	4.8
Italy	48.0	50.9	−2.9	129.3	4.2	7.0
Kosovo	25.0	27.6	−2.5	17.0	n.a.	n.a.
Latvia	36.7	37.6	−0.9	36.5	3.4	3.7
Lithuania	33.0	34.7	−1.8	40.9	5.3	4.5
Luxembourg	43.9	43.1	0.8	22.5	3.6[8]	6.0
Macedonia, FYR	28.6	32.5	−3.9	36.1	3.3[8]	4.3
Malta	40.2	42.6	−2.4	66.6	7.2	6.6
Moldova	37.2	39.1	−2.0	30.4	8.7	5.3
Montenegro	41.3	46.9	−5.5	58.7	n.a.	4.0
Netherlands	43.8	46.4	−2.6	67.5	5.5	9.4
Norway	54.0	44.5	9.5	29.1	6.9	8.0
Poland	38.7	42.2	−3.5	52.9	5.0	4.6
Portugal	44.1	49.6	−5.5	128.5	5.3	6.3
Romania	32.2	34.3	−2.1	39.1	3.2	4.4
Russian Federation	34.2	35.5	−1.3	14.7	4.2	3.7
San Marino	21.1	21.9	−0.8	18.5	2.3	5.6
Serbia	39.5	45.0	−5.5	67.3	4.5	6.1
Slovak Republic	38.4	41.5	−3.1	53.1	4.0	5.7
Slovenia	41.3	47.8	−6.5	72.0	5.6	6.7
Spain	38.2	45.1	−6.9	94.3	4.7	6.7
Sweden	50.0	51.2	−1.2	41.5	6.9	10.0
Switzerland	32.7	32.8	−0.1	46.1	5.0	7.5
Turkey	36.0	37.3	−1.3	34.6	2.9[8]	4.2
Ukraine	42.6	46.3	−3.7	57.2	6.5	3.9
United Kingdom	35.9	41.8	−5.9	87.3	5.8	7.7
Regional average	40.4	**42.9**	**−2.5**	**61.9**	**5.4**	**6.0**

Sources: IMF World Economic Outlook (WEO) database; World Bank, World Development Indicators (WDI); and IMF staff calculations.

[1]All figures except for health and education expenditure are drawn from the latest WEO publication, and the concept of government corresponds to that in the WEO. Please see the WEO for further details. Health and education expenditure are drawn from the WDI and correspond to the general government concept.

[2]The figures are based on the average over the number of years in this period for which data were available.

[3]Corresponds to the concept of total revenue minus total expenditure.

[4]Gross debt does not net out holdings of debt by other entities of the government.

[5]The figures for education expenditure are based on 2010–13 averages or the number of years for which data are available in this period. The 2013 data are the latest available.

[6]The figures for health expenditure are based on 2011–14 averages or the number of years for which data are available in this period. The 2014 data are the latest available.

[7]Data are not available.

[8]The figures reflect the value of latest year available since data were not available for the 2010–13 period: Greece (2005), Luxembourg (2001), Macedonia, FYR (2002), and Turkey (2006).

CASE STUDIES OF GENDER BUDGETING INITIATIVES IN WESTERN EUROPE

Austria

Summary

Gender budgeting in Austria has gained worldwide attention, in part because of the initiative's constitutional and legislative underpinnings and its promotion by the Director General, Budget and Public Finance in the Ministry of Finance at the time of its introduction.

Gender budgeting was noteworthy for being incorporated into a major budget reform process at the federal level and, therefore, for the integration of gender as a category of analysis and control in all of the institutions of the budget, extending all the way to the Court of Audit.

As part of the reform, gender equality became integral to a new constitutionally mandated budgetary principle, that of performance-orientated budgeting. In addition, reform of the regulatory impact assessment process introduced the concept of "effective" equality between men and women, and required that all new laws, regulations, and directives, as well as other large government projects, be assessed for their gender impact (Schratzenstaller 2014).

These characteristics render Austria's gender budgeting initiative one of the most institutionally robust in Europe, and arguably provide a strong legislative basis for a refinement of its methods to produce more substantive gender equality outcomes in line with socioeconomic priorities. The main methodological tool for gender budgeting in Austria is the identification of a gender equality objective for each budget chapter as an integral element of performance-oriented budgeting. A weakness of Austria's approach is a built-in disincentive to the identification of relevant and potentially transformative gender equality objectives. A 2015 evaluation shows that budget personnel, while expressing commitment to the goal of gender equality, largely lacked capacity for meaningful gender analysis.

Case study

Gender budgeting was first put on a formal standing in Austria following a Ministerial Council decision in March 2004. Then, the Ministry of Finance issued guidelines announcing the goal of applying gender mainstreaming to all budgetary measures and requesting all government departments to nominate pilot projects. The resulting analysis was included in the budget documentation and in the legislative texts relating to the Federal Finance Acts for the budgets of 2005/06 and 2007/08 (Frey and Köhnen 2012). In 2006 the Federal Ministry of Finance introduced a regulation to give a legal basis to this new instrument, then referred to as "gender audits" (Fritz 2011). This early approach was project oriented and designed to single out individual budget lines or tasks.

While gender mainstreaming provided the initial framework for gender budgeting, Austria's federal budget reform process incorporated gender budgeting as a distinct and integral dimension. New legislation and a constitutional amendment in 2007 set out the scope and time frame for budget reform. Changes to the constitution included a mandate to target de facto equality between women and men in the management of the budget. The provision applied to all levels of government:

> Federation, Laender and municipalities are to strive for the effective equality of men and women in their budget management (Article 13, para. 3).

At the federal level, this provision is reinforced by the principle of "outcome orientation," articulated in Article 51, paragraph 8:

> In the budget management of the Federation the fundamental principles of impact orientation, especially considering the objective of the effective equality of men and women, transparency, efficiency and the most faithfully possible representation of the financial situation of the Federation, are to be observed (Fritz 2011).

By 2009 a binding Medium Term Expenditure Framework and strategy report would discipline the budgetary process, with carry-forward flexibility for line ministries an additional innovation of phase one of the budget reform. During the second phase, officials moved to performance, or outcome-oriented budgeting, and accrual budgeting and accounting by 2013. This would in effect transform the budget from the traditional *cameralistic* system to one where the budget is used as a strategic policy instrument, with the focus on the presentation of results, and where performance accountability is paramount.

The Austrian federal administration views the constitutionally defined objective of gender equality as corresponding to the internationally established concept of gender budgeting (Steger 2010). Gender budgeting thus constitutes the financial policy instrument for the implementation of Austria's gender mainstreaming strategy at the federal level.

The budget reform process also involved changes to the Federal Budget Act (organic budget law) and "effective equality" is cited as "a target acquisition of budget management." The Federal Budget Act characterizes gender budgeting as involving the analysis of the impacts of administrative actions and budget policy and the application of corrective measures, if necessary, to the achievement of equality. In addition, gender budgeting is further supported by a 2013 reform of the regulatory impact assessment framework. Gender equality, which was already part of the regulatory framework, was reformulated to ensure that the "effective" (or de facto) equality between men and women is assessed. This regulatory process applies to all new laws, regulations, and directives, as well as large government projects. Particularly relevant to gender equality is the assessment of impact on participation in the labor market on women and men, and the impact on income (Schratzenstaller 2014).

Under the new structure, the annual budget is organized on three levels: chapter, global, and detail budgets. Each chapter has a maximum of five outcome objectives, one of which is to address gender equality. Objectives may be oriented externally in line with the line ministries' obligations to gender equality, or internally relating to each ministry's human resource policy.

Conscious of the change in work culture that the reform process would entail, the Ministry of Finance kept external consultancies to a minimum to allow staff to adapt and implement the system, and in this way build capacity for new processes. In line with this model, but at odds with a gender mainstreaming approach, there was no accommodation for consultation with civil society and, therefore, for the inclusion of women's voices. While budget officials can employ their expertise toward new budget processes, their expertise in addressing gender equality was at a low baseline. There is no evidence that budget officials were supplied with sufficient expertise—either through sustained capacity building or ongoing gender experts—to adequately undertake their newly mandated gender equality budgetary obligations.

Since the current gender budgeting initiative came into effect only in 2013 (notwithstanding the preparation period from 2009), it is still early days for evaluation. To report on progress to date, we rely on two studies: one supported by the European Union Programme for Employment and Social Solidarity (Schratzenstaller 2014), and the other an evaluation of the budget reform commissioned by the Austrian administration (Hammerschmid and Grunwald 2014).

The draft budget for 2013 included 123 outcome objectives, of which 28 were gender equality objectives, each with an average of two to three indicators. The defined gender equality objectives and measures addressed important policy areas, including the gender pay gap, reconciliation of work and family life, education and professional careers, and representation of women in the boardroom (Schratzenstaller 2014). Also included were measures to improve the gender database in a number of key ministries as well as in the Court of Audit. Parliamentary debate on the draft budget focused on the broad swath of performance-related information, and in particular to the gender-related information. Likewise, the parliamentary budget committee paid significant attention to outcome objectives and their ambitiousness, indicators, and measures.

A recent evaluation of the budget reform process touched briefly on the gender budgeting dimension (Hammerschmid and Grunwald 2014). The evaluation was based on interviews with budget officials. While the majority of respondents were positive about the integration of gender equality, many questioned its prominence as one of a maximum of five outcome objectives. Respondents felt that, at this early stage in the reform process, it was unrealistic to give the same weight to gender equality as to other dimensions of reform. They also felt that gender equality was not being well served in this respect.

The evaluation drew attention to the poorly specified gender equality targets, which did not reflect the complexity of the subject. As an example, the evaluation indicated that the idea that women should constitute 50 percent of any given target group is a poorly conceived gender equality objective. The reviewers concluded that the gender equality goals were not sufficiently ambitious and that a lack of data means that the gender equality objectives are not being subject to evaluation.

Finally, from 2014, all information on outcomes and targets at the budget chapter level, including gender equality outcomes and the planned actions at the global budget level, are recorded on a dedicated website and updated annually, allowing developments to be tracked over time.[3]

Belgium

Summary

Belgium's gender budgeting initiative is also underpinned by a law introduced to give effect to the country's commitment to gender mainstreaming. Notable is the specificity of the law, which mandates (1) specific methodologies and processes to accommodate gender equality's integration into all budgetary processes, (2) the collection and management of gender-relevant data, (3) the specification of gender equality objectives in line with the Beijing Platform for Action (BPfA), and (4) the application of gender budgeting to government procurement. A strength of Belgium's initiative is the alignment of its gender equality objectives with the BPfA, a framework that is comprehensive of all aspects of gender equality relevant to government policy. Implementation of Belgium's multifaceted and institutionally robust gender budgeting program has been hampered somewhat by political discontinuities during the past decade.

Case study

In Belgium's first foray into gender budgeting, in 2001, it co-hosted the high-level Strengthening Economic and Financial Governance: Toward Gender Responsive Budgeting conference on the topic during its tenure as president of the European Union. Co-hosted with the Organisation for Economic Co-operation and Development (OECD), UN Development Fund for Women (UNIFEM), and the Nordic Council of Ministers, the conference gave rise to several gender budget initiatives throughout Europe (Elson 2002).

Following this, Belgium launched a pilot project to explore the feasibility of applying gender budgeting within all federal government services and activities (Holvoet 2007). The research element of the pilot was to explore the environment within which budgetary decisions are taken and the level to which existing gender mainstreaming provisions had been applied, particularly in relation to the budget.

Of interest among the findings is a discussion of the Belgian Development Cooperation Department's use of the OECD's Development Assistance Committee Gender Marker, by which gender-related aid spending is tracked by countries. The Gender Marker is a simplistic form of gender budget analysis and is used within the frame of results-based management. Holvoet (2006) draws parallels between the Gender Marker and performance-based budgeting, a budget process seen as better able to accommodate gender budgeting than the traditional line item system (Sharp 2003). Belgium then had begun to move toward performance-based budgeting.[4]

[3]See http://www.wirkungsmonitoring.gv.at.

[4]Troupin, Stroobants, and Steen (2013) note that, while there is an increased use of performance information, full performance-based budgeting is unlikely in the medium term in Belgium.

The pilot, which looked at gender mainstreaming more broadly, paved the way for legislation in 2007 that would effectively institutionalize gender budgeting.[5] Introduced in fulfillment to a commitment to the BPfA, the law was adopted in line with the EU's developing strategy on gender mainstreaming, rooted in Article 3 of the Treaty of Amsterdam "to structurally integrate the gender dimension into all federal policies" (Joly 2009).

The law mandates specific gender budgeting processes and responsibilities. In the first instance, the government is required at the beginning of its term of office to identify gender equality objectives. The linking of these objectives with the budget is achieved by the preparation of a "gender note," quantifying the budgetary allocations of each ministry to their attainment. The gender note, which is to be attached to each draft of the general expense budget, is effectively an accounting instrument, allowing for the calculation of aggregate budgetary spending targeted toward gender equality.

In addition to the gender note, the law stipulates the application of a "gender test": an assessment of the potential differential impact on women and men of all government legislative and regulatory measures presented to the Council of Ministers. An important element of the law is the mandate to collect and manage sex-disaggregated data and to develop gender indicators.

Two additional stipulations of the law are (1) the make-up and responsibility of an interdepartmental coordination group to guarantee the implementation of this law and (2) the role of the Institute for the Equality of Women and Men in providing guidance and support. The interdepartmental coordination group was established by royal decree in 2010 and is made up of representatives from each ministry, high-ranking civil servants from each administration, and staff from the institute. Finally, the law covers public procurement and the granting of state subsidies.

Article 2 of the legislation specifically mandates the integration of a gender perspective in the budgetary preparations. This article provides the basis for the methodology drawn up by the institute. The starting place for that methodology was the 2009 budget circular, which indicated the scope of the legislative mandate on gender budgeting and asked all Federal Public Services to identify budgetary allocations that could be the object of an ex ante gender analysis regarding costs.[6]

In 2010 the minister for equal opportunities issued a specific circular on gender budgeting, with elaboration of a methodology, designed in collaboration with the institute. This was supplemented with a manual in 2011. From 2010 on, the annual budgetary circular of the Federal Public Service Budget and Management Control also mentions the obligation of applying the gender budgeting methodology and refers to the specific circular on gender budgeting.

[5]The law of January 2007 on verifying the application of the resolutions of the global conference on women held in Beijing in September 1995 and integrating the dimension of gender within the totality of federal policies (Belgian Monitor of February 13, 2007).

[6]Equivalent to ministries or government departments.

According to the methodology, each Federal Public Service is required to subdivide all budgetary allocations into three categories. Category 1 is concerned primarily with budgetary allocations related to the internal functioning of government and thus is of no relevance to the attainment of gender equality. Examples given in the 2011 manual include operational expenses in information technology, costs for leasing real estate, interest on late payments, and compensation for damage to rental property. Personnel costs (salaries, training costs, and so on) are also included as Category 1, notwithstanding the manual's clear explanation of the gender dimensions of personnel costs and of the potential for making progress on gender equality within the public service by focusing on human resource policy.

Category 2 covers budgetary allocations aimed at achieving gender equality. This refers to programs and services designed to redress the impact of past gender discrimination or to eliminate persistent discrimination, such as refuge services for victims of domestic violence, grants to organizations providing services to marginalized women and men, and labor market activation schemes for particular groups of women.

No action is required with respect to Category 1 allocations. Category 2 items are to be included in the gender note, specified in the legislation. The gender note is simply a table identifying the action, and the program within which it is contained, the government department or agency responsible for the program, and the amount of money allocated to the program. There is no facility to indicate the numbers of beneficiaries of the activity.

Finally, Category 3 allocations encompass public policy measures directed to sizable populations, which are thus likely to have an impact on gender equality. Guidance from the Institute for the Equality of Women and Men recognizes that Category 3 is the largest grouping of budgetary allocations, thus acknowledging that gender is a determining characteristic when assessing the impact of public policy. Category 3 items are to be subjected to a gender analysis to establish the relative status of women and men in the domain to which the budgetary item is targeted. This analysis is documented in a "gender comment" and used to inform the implementation of the program to produce a better gender equality outcome.

Within the framework of the budget cycle, when dossier managers request a budget from the Budget and Management department of their administration, they indicate the category to which their dossier pertains as part of the justification of basic allocations. It is the responsibility of the Budget and Management department to compile all gender notes and gender comments. The Federal Public Service Budget and Management Control has responsibility to compile gender notes and gender comments at the aggregate level and to append them to the budget documentation.

The most recent Federal Plan on gender mainstreaming (2015–19) renews the government's commitment to gender budgeting and gives details of each member of government's commitment to integrate the gender perspective in certain of their policies. The minister of finance, for example, commits to redressing any gender imbalances in relation to personal income tax, business expense deductibles, and incentives toward savings for pensions. The minister of civil service commits to integrating a gender perspective in the review of pay scales, recruitment, and training procedures and in the development of new forms of working, including teleworking and flexible and temporary work arrangements. A final example is the minister of justice's commitment to integrate a gender dimension in the development of prison policy—in particular, policy on the treatment of prisoners. The ministry also commits to take the gender perspective into account in the planned reform of the matrimonial and inheritance law.

Evaluations by the Institute for the Equality of Women and Men have been unable to generate sufficient data to allow it to evaluate outcomes. Instead, the institute has focused on whether and to what extent the methodologies have been applied. So, for example, it reports that the percentage of budgetary allocations not categorized rose from 1.2 percent in 2013 to 8.5 percent in 2015. The institute sees this as an indication of the methodology not being applied in the case of new budgetary allocations coming on stream when the new government came into power. The percentage of items listed as Category 3 items stood at 10.5 percent in 2013 and decreased to 10.1 percent in 2015.

There was a small increase in Category 2 budgetary allocations, from 0.6 percent in 2013 to 0.9 percent in 2015. These figures, particularly those related to Category 3, are disappointing, especially given that Category 3 comprises the largest grouping within the budget. Without a full-scale evaluation, it is difficult to say what factors are at play. Belgium's political challenges in forming a government have played a role in determining priorities for the institute. With the formation of a new government in late 2014, the institute's focus has been political, in the first instance to ensure that decisions are made that will allow gender mainstreaming measures, including gender budgeting, to be enacted according to the mandates and the spirit of the law.

Sweden

Summary

Given their track record on gender equality in general, it is not surprising that the Nordic countries were among the pioneers of gender budgeting in Europe. The Nordic Co-operation provided the framework for the early initiatives in the region.[7] A joint project was launched in 2004, with Denmark, Finland, Iceland, Norway, and Sweden[8] all undertaking pilot projects over the course of a two-year period (Nordic Council of Ministers 2006).

Following this, each country has charted its own course, ranging from Denmark, where, notwithstanding its stated commitment to gender budgeting, some commentators report that there is little evidence of it in the policy process;

[7]The Nordic Co-operation brings together Denmark, Finland, Iceland, Norway, Sweden, the Faroe Islands, Greenland, and Åland to collaborate on numerous regional issues. Its work on gender equality dates to 1974 (Nordic Council of Ministers 2015).

[8]Sweden had already begun its own pilot projects in 2003, focusing on programs within the transport, regional development, and social sectors (Schmitz 2006).

to Iceland, where a new five-year plan is rooted in a legal mandate within the newly adopted Organic Budget Law;[9] to Sweden, where the newly elected, self-proclaimed feminist government has reinvigorated its long-standing commitment to gender budgeting.

Sweden has for many years been cited as a model of progressive gender equality policy and practice. In particular, it is known for its provision of childcare and other welfare provisions that promote women's economic participation and go some way toward a more equitable division of domestic responsibilities for men. In like manner, Sweden has been in the forefront in the area of gender mainstreaming, in particular in the areas of capacity building for government officials, the development of methodologies and tools, and the production and management of sex-disaggregated data. Other countries, both within and beyond Europe, have adopted a number of the analytic and process tools developed in Sweden. Nevertheless, relative to its own standing, Sweden is conscious of the need for improvements and is continuously refocusing its efforts.

Case study

Following elections in September 2014, the new government declared itself a feminist government and, among other gender equality commitments, outlined its intention to institute gender budgeting in the program for government presented to parliament by the prime minister.[10] It is instructive to understand this commitment to gender budgeting in the context of Sweden's previous efforts to mainstream a gender perspective in its budgetary processes and policies.

Women in Sweden have enjoyed the benefits of individual or separate income tax assessment since 1971. The Equal Opportunities Law, designed to combat discrimination in the workplace, came into force in 1980. Efforts to incorporate a gender equality perspective in Sweden's economic policy date to the late 1980s, and in 1988 a special appendix was introduced into the budget bill to show the distribution of economic resources between women and men. Since 2003, this appendix has been attached to the budget statement.

Statistics Sweden has had a gender equality unit since 1982, and since 1984 has published *Women and Men in Sweden, Facts and Figures* at regular intervals. In 1994 the Ordinance on Official Statistics mandated that all official statistics related to individuals be disaggregated by sex. A review of the Budget Bill in 2006 found that the use of sex-disaggregated data needed improvement. At the request of the government, Statistics Sweden produced guidance on how to collect and use sex-disaggregated data and provided illustrations of its importance to government policy. The government's objective was to ensure that all tables and graphs

[9]The five-year plan was adopted by parliament in the summer of 2015 and the Organic Budget Law in December 2015.

[10]For more information see the Statement of Government Policy at http://www.government.se/information-material/2014/10/statement-of-government-policy-3-october-2014/.

related to individuals be based on sex-disaggregated data in the 2007 Budget Bill (Government Offices of Sweden 2006).

Gender mainstreaming has been in operation in Sweden since 1994. In relation to gender mainstreaming in the budget, the Ministry of Finance initiated the project An Equal Share in 2002. This was wound up in 2004 and gender budgeting was subsumed into the new Plan for Gender Mainstreaming, 2004–09, signaling that gender budgeting was to become part of the regular work of gender mainstreaming (Numhauser-Henning 2015). A central goal of the plan was to integrate a gender analysis into the "two central decision-making processes in the Government Offices—the legislative process and the budget process" (Government Offices of Sweden 2006, 7). This renewed focus led to the development of a range of methodologies, overseen by the JämStöd Committee, for which Sweden has become renowned and that has been influential across Europe and beyond.[11] A 2006 government bill resulted in the drafting of new national gender equality objectives, and in 2007 the new Ministry of Integration and Gender Equality was established (Björklund 2007). Again in 2012 the government produced a five-part Gender Mainstreaming Plan.

To return to the current government's commitment to gender budgeting, it is noted that, given its minority status, the government did not succeed in passing the 2015 budgetary bill, which would have seen a significant increase in funds to address a number of gender-equality-related areas.

Nevertheless, in proceeding with the revitalization of gender budgeting per se, the government has identified the analytical tool, JamKas, as its main instrument. This dates from the JämStöd Committee work of 2007 but has been updated to accommodate the renewed focus on gender budgeting. The method covers the following activities: (1) inventory and prioritization of gender equality relevance; (2) analysis of how gender equality is affected by the budgetary item under review; (3) a survey of current gender patterns in the selected program or sector; (4) with reference to national gender equality policy objectives, assessment of the potential impact of proposals; and (5) examination of alternative solutions if negative impacts are anticipated. The addition of this last step underscores the imperative of coming up with a solution, should the initial analysis point to a potential negative impact.

The method, which will be applied to all budgetary measures, is based on a gender impact assessment, a commonly used gender mainstreaming tool where the emphasis is on mitigating potential negative impacts. It also encompasses some of the elements of the tools used in Belgium and Spain with a focus on determining gender relevance and prioritizing those budget measures with the potential to have the strongest and most immediate impact on gender equality.

From 2016 the annual budget circular includes instructions on the application of gender budgeting throughout the budget process. Among the requirements set

[11]JämStöd, the Swedish Gender Mainstreaming Support Committee, was set up in 2005 to support gender mainstreaming within government offices and agencies. It has overseen the development of tools and methodologies that have been adapted internationally.

out in the circular is that gender impact analysis be carried out at the early stage of new budget proposals. In addition, sex-disaggregated data are to be used and new gender equality indicators devised to reflect current status. This new government initiative is seen as strengthening gender mainstreaming in the budgetary process by improving the mechanisms for internal management and control, an improved methodology (JamKas), and better use of gender-disaggregated data. The initiative should also result in a more advanced gender equality impact analysis.

Finland

In Finland, the Ministry of Finance made the decision to adopt gender budgeting and has led the initiative throughout. Under the Nordic partnership project, Finland carried out a Gender Impact Assessment of the budget of the Ministry of Social Affairs and Health. Following this in 2006, the Ministry of Finance issued specific instructions in the budget circular, requiring all ministries to include a summary of the important gender impacts of measures for each budget chapter. The goal was that the budget should incorporate a gender perspective on the full range of government policies, including regional development, the environment, productivity, poverty, innovation, aging, and health (Onwen-Huma 2012).

An assessment of the budget proposal for 2008 reveals that all ministries made reference to gender equality to some degree; one-third cited concrete goals and actions, while just one ministry (Social Affairs and Health) presented its statistics disaggregated by sex. It was clear from this evaluation that there was a need for improvement in the collection and management of sex-disaggregated data, as well on a more focused format for the Gender Impact Assessment. The Ministry of Finance issued more robust instructions to this effect, and subsequent budget proposals in 2009 and 2010 showed marked improvements.

The language of Finland's Gender Equality Action Plan, 2012–15, extends the concept of gender budgeting to an incorporation of the gender perspective in the country's economic policy, presenting the goals of gender equality and economic growth and sustainability as complementary (Ministry of Social Affairs and Health, Finland 2012). The action plan is organized around the three strategic objectives of the Program for Government: the reduction of poverty, inequality, and social exclusion; the consolidation of public finances; and the strengthening of sustainable economic growth, employment, and competitiveness. In addition to the ongoing work of gender budgeting, each ministry is mandated to work toward the sustained integration of a gender perspective into at least one of its major policy areas that is clearly linked to the Program for Government.

One report suggests that the incorporation of gender perspective in budgetary processes has become routine (Valkama 2009), and an official of the Ministry of Finance concurs by acknowledging that it is now part of the mainstream of government administration (Onwen-Huma 2012).

Iceland

Iceland's first experience with gender budgeting was a pilot project undertaken within the framework of the Nordic Co-operation in 2006. In 2009 the new coalition government adopted gender budgeting as a key element in the preparation of the budget and of economic policy. To steer its rollout, the minister of finance set up a committee with representatives from three ministries, the Centre for Gender Equality, and the Institute for Gender, Equality and Difference at the University of Iceland.

During 2010–11 each government department was obliged to undertake a pilot project with the goal of establishing the scope and parameters of a viable methodology. An attendant goal was to gauge the adequacy of existing gender-related data. These early pilot projects included analysis of the transferability of personal tax discounts between couples by the Ministry of Finance, research on the debt status of Icelandic households by the Ministry of Economic Affairs, and analysis of the gender distribution of unemployment benefits and hospital waiting lists by the Ministry of Welfare.

The government approved a three-year Plan for Gender Budgeting in 2011, which had been drafted by the Steering Committee. Under the plan, ministries were to choose one main policy area with which to work and to continue with pilot projects.

In its recommendation on how to apply gender budgeting, the Steering Committee was keen to emphasize the centrality of gender considerations to all fiscal policymaking. It placed particular emphasis on measures designed to bring about economic recovery and the need to apply gender budgeting tools to planned public expenditure cuts as well as to job creation measures (Government of Iceland 2011).

Article 16 of the Equal Status Act (2008) mandates the use of sex-disaggregated statistics in all official economic surveys and in subsequent reports and policymaking. Within the three-year gender budgeting plan, the Steering Committee emphasized the need to expedite the collection and management of sex-disaggregated statistics.

In late 2015 the government approved a new five-year plan on gender budgeting with the overall objective of making the methodologies associated with gender budgeting more integral to the decision-making process within government. The new plan has three broad emphases:

- A focus on measuring short-term outcomes and amending plans to ensure that targets are reached;
- Gender impact analysis of all new budget proposals; and
- Analysis of all new legislative proposals to include a cost-benefit analysis from a gender perspective.

While the new plan does not make specific mention of tax policy, this dimension is covered by the gender analysis of new legislative proposals.

The new five-year plan follows the government's gender equality targets. This includes a joint gender equality goal for all ministries, as well as individual gender equality goals for each ministry.[12] The first year allows for an audit of available sex-disaggregated statistics, while the second year is given over to identifying priority issues and elaborating gender equality targets. The make-up of the Steering Committee has changed to include representatives from all ministries and the Centre for Gender Equality. It no longer includes the representative from the university, thus excluding civil society from this position.

To bolster the new gender budgeting plan, the new organic budget law, which came into effect in January 2016, assigns responsibility for gender budgeting to the minister of finance, who is to work in consultation with the minister for equality to elaborate the specifics of the gender budgeting program and to oversee its implementation. In addition, the organic budget law mandates that gender budgeting is to be taken into account in drafting the Budget Bill and that the bill shall detail the impact of the budget on the attainment of gender equality targets. Instructions on gender budgeting have been included in the budget circular since 2010.

Germany

Berlin

The administration of the federal state of Berlin is organized on two levels, with nine state ministries and 12 district councils. In line with Germany as a whole, Berlin operates the traditional cash-based, line item, input-oriented budgeting, generally referred to as *cameralistic* (Jones and Lüder 2011). This is supplemented by a focus on "product" or output budgeting, which was introduced at the national level as part of a budget reform process in 2009. Product budgeting is a step toward program budgeting, allowing for a limited view of the benefits the budget is "producing" for the public in terms of measurable outputs. It has been adopted by a number of federal states as well as by lower levels of local government in Germany. However, while product information is presented in the Berlin budgets, parliamentarians favor the more detailed traditional line item budgeting that allows appropriations to be tracked by sector, by geographical region, and by input, and thus also allows for a greater degree of steering.

In Berlin, gender budgeting has been in operation as tool of gender mainstreaming since 2003, following a decision by the Berlin House of Representatives in 2002. The adoption of gender budgeting was due in large measure to the support of and promotion by female parliamentarians and to its promotion by an active civil society initiative. While responsibility for gender mainstreaming belongs with the Senate Department for Labor, Integration and Women, it is the Department of Finance that takes the lead on gender budgeting. For day-to-day operations, a working group, hosted jointly by both departments, coordinates the process.

[12]Gender equality targets had not been elaborated at the time of writing.

In the beginning the objective was to render the budget transparent in terms of a gender-differentiated use of public finds. The approach was piloted with an application on institutional transfers at the state and district levels on 56 products of the budget. Sex-disaggregated data was incorporated into the budget documentation for the 2005 and 2006 budgets.

Following further decisions by the house of representatives, the analysis was extended to take account of secondary beneficiaries. The house also wanted to deepen the gender analysis, beyond accounting for the numbers of male and female service beneficiaries. The third stage of the model employed in Berlin moves toward being able to "steer" or reorient budgetary expenditure toward the achievement of specific gender equality objectives. The goal is full integration of gender budgeting as a steering mechanism into the parliamentary budget process.

The interdepartmental gender budgeting working group has been meeting regularly since 2003. In the early years, in addition to senior personnel from both senate departments, the group also included representatives from civil society. Current senior personnel in both departments speak of the very positive collaborative work over the years. By 2011 budget makers perceived an impasse in that they lacked the capacity to make the changes that would bring about a better gender equality outcome. Up to this point, they had been tracking the numbers of beneficiaries of public services, disaggregated by sex. However, they lacked the capacity to contextualize these numbers to assess if and to what degree they represented a gender imbalance. Without access to other sources of information and expertise, their ability to work toward gender equality outcomes was limited.

In line with this, officials commissioned a new tool that enables them to tap into other sources of information and to articulate that information in a format that would help them to identify where they have room to influence budgetary outcomes.

The most recent budget for the Senate of Berlin (2016–17) demonstrates the enhanced level of gender-related information used within the budgetary process. In particular, it shows evidence of the use of the new "steering" tool introduced in 2013. The budget of the Senate Department of Labor, Integration, and Women is an example. The opening chapter—which deals with departmental objectives and priorities, a breakdown of revenue and expenditure, and other general considerations—has a section outlining the role of gender budgeting in the budget. This states that gender budgeting is not only important to the goal of gender equality but also has become a "ministerial control function" that complements the "principles of sustainable fiscal policy" by helping to ensure public resources are targeted efficiently (DLIW 2016).

Each chapter of the budget begins with a sex-disaggregated breakdown of public officials employed by the division of the department with which the chapter is concerned. In addition, the mean monthly salary is disaggregated by sex and gives an indication of the gender gap in salary. This is accompanied by an explanation for the gender gap. The explanation points to the predominance of men in the higher salary brackets and to women having to take maternity leave, which interrupts their career progression.

The use of the steering tool is most evident where there is a breakdown of expenditure on services that are contracted out and also in relation to subsidies and grants to nongovernmental organizations serving the needs of particular sections of the community. Services range from return-to-employment training schemes, advice and information to migrants, support for women starting small businesses, and women's refuge facilities. The budget shows the number of beneficiaries, disaggregated by sex, indicating a trend over a three-year period and projected targets for the ensuing two years. Analysis of the data indicates whether the sex distribution of beneficiaries matches the actual target group, and if not what measures are planned to "steer" the outcome to achieve gender equality. An analysis of the effectiveness of the new tool is outside the scope of this analysis. However, there is evidence that the gender analysis is weak in places. Nevertheless, the availability of this type of information within the budget represents progress and can serve as a basis for deeper analysis in the future.

Berlin officials are very proud of their gender budget orientation; they view it as part of their modern approach to budgeting and are involved in delivering seminars on their progress in a number of other countries, as well as hosting study visits on the subject. In accounting for their success, Berlin officials point to a clear mandate from parliament and the Berlin Senate; formal structures, with the Ministry of Finance in the lead role; a collaborative approach with an emphasis on learning by doing; and year-on-year reporting as part of the annual budget process. The amount of gender information incorporated into the budget has increased every year, providing evidence of the sustained political and bureaucratic commitment.

Nevertheless, there is some concern that the new steering tool has not yet gone far enough to move the Berlin approach qualitatively beyond disaggregating beneficiaries by sex. This has been the approach for 10 years, and the challenge now is expanding a methodology that has already become institutionalized and "locked in" its own path dependency.

Gabriele Kämper, head of the Equality Division in the Senate Department for Labour, Integration and Women, points to the challenge that the gender expertise resides within her department, which is one part of the ministerial collaboration coordinating gender budgeting, even though the day-to-day operations fall to the Senate Department of Finance, where the officials, while enthusiastic about gender budgeting, lack the gender expertise needed. Notwithstanding the significant level of collaboration, the balance of decision-making power remains with the budget officials and the challenge of bringing them to a level of gender competence persists.

On the other hand, a clear strength of the Berlin initiative is its political underpinning and its endurance over 12 years. This has resulted in a collaborative process that is now well established and, thus, the concept of gender budgeting is no longer a contested principle, as it is in other parts of Germany and indeed in Europe generally.

Gender budgeting in Germany

It is worth considering Berlin's gender budgeting initiative in the context of the rest of Germany. On aggregate, there is a significant level of gender budgeting activity at state, district, and municipal levels but none at the central level. Germany is, however, one of the few countries to have commissioned a national-level feasibility study on gender budgeting, and while the government did not move forward on the recommendations of the study, it did leave open the possibility of revisiting the subject. Specifically, the official response called for "further fundamental clarification" and suggested that, should the federal government again consider budget reform, the relevance of gender budgeting might best be assessed in that context (Färber and others 2006). In addition, the federal government maintains that government departments are responsible for gender equality objectives within their respective remits and that these should be reflected in their resource allocations. It is worth noting that, in July 2015, the Budget Committee of the German Bundestag convened a hearing on gender budgeting to review activity since the feasibility study and examine potential opportunities.

A recent study, looking at the different paths taken by Austria and Germany in relation to gender budgeting, suggests that the interaction of three factors shaped the different outcomes in both cases. The factors included (1) the absence of an ongoing administrative reform process meant that Germany could not avail itself of the opportunity that allowed the Austrian government to "piggyback" its more political gender budgeting innovation onto a seemingly managerial/technical innovation; (2) Germany's budget is fundamentally oriented toward the *household* (the German word for household, *Haushalt,* also means budget), as evidenced most clearly in its tax and welfare regime, thus rendering the concept of gender equality—with its insistence on looking at individual behavior within the household—as foreign and untranslatable; and (3) Germany's federal system devolves the delivery of public services to the lower levels of government and, given that gender budgeting is most closely associated with a more targeted (and equitable) distribution of public expenditure, the national government could likewise devolve gender budgeting (Quinn 2015).

Spain

Andalucía

Gender budgeting in Andalucía, an autonomous region of Spain, has a strong legal basis, beginning with a 2003 law on Fiscal and Administrative Measures and reinforced over the years by other primary legislation and regulations. The 2003 law established two gender budget provisions: first, the requirement that the regional budget presented to parliament contain a Gender Impact Report and, second, the setting up of a Gender Impact Commission (an interdepartmental coordinating body composed equally of women and men) within the Ministry of Finance to oversee the execution and approval of the Gender Impact Report. Also of particular importance is the 2007 law on Gender Equality, Article 8, which regulates the mandatory publication of the Gender Impact Report for the draft finance bill, and Article 10, which calls for the collection and management of sex-disaggregated and gender-relevant data. The Finance Law of 2010 mandates that the Gender Impact Report be attached to the annual budget law. In addition, further government decrees solidify the role of the Gender Impact Commission. Finally, the Statute of Autonomy mandates the application of a Gender Impact Assessment for all new laws and provisions, including the finance bill.

As in Berlin, gender budgeting is seen as the primary vehicle for implementing gender mainstreaming in Andalucía. In addition, the regional government, keen to succeed as an autonomous region, and in particular to reverse the fortunes of one of the poorest regions in Spain, has adopted gender budgeting as part of its strategy for economic growth and competitiveness. In effect, gender budgeting is perceived as a tool of modern governance (Aguilera Diaz, Del Olmo Garrudo, and Arroyo 2011).

The first Gender Impact Report was produced in 2005, but was for internal use only and, therefore, not published. In 2007 the G+ Program was introduced. It is presented as a three-stage methodology, and key to its operation is the first stage of identification and classification of budgetary programs according to the G+ scale. The aim is to prioritize those budget programs that are most relevant to and capable of advancing gender equality. All budget programs are ranked from g0, for those deemed not gender relevant, to G+, for those seen as having the most potential to effect gender equality.

While each department is responsible for classifying its programs, the Gender Impact Commission must approve them. Once classification is in place, the second stage of the G+ Program comes into play, whereby a Strategic Guidance Document (DOE G+) is drafted for each budgetary program (with the exception of those ranked g0). Made operational in 2010, the DOE G+ acts as a "living" document, a record of early analysis and gender-related treatment of the program to include objectives and indicators, as well as details of how results are evaluated. The idea is to maintain and update the document year on year.

The Gender Impact Report of the 2010 budget points to significant progress toward the standardization of a system of analysis within the day-to-day operations of each agency. Among the achievements listed is a decrease in the number of budget programs designated as having no gender relevance, an increase in the number of indicators—21 more gender equality indicators between 2009 and 2010—and the quality of those indicators.

The Andalucía gender budgeting exercise is notable for the well-roundedness of organization. The Ministry of Finance has taken the lead since its inception, initiating an ongoing deepening of the methodologies and processes and ensuring the integration of the practice within the regular budgetary institutions. In addition to tools and systems, there is a keen awareness of the need to change the work culture within the administration and to ensure adequate gender-related expertise.

In line with this, an organizational change process underpins the shift to gender budgeting with a focus on changing values, priorities, and stereotypes and the provision of expert technical assistance. This is resourced by the introduction in

2010 of the G+ Fund. As of September 2015, the Ministry of Finance claims that upward of 50 percent of those in charge of budgets have been trained in the use of sex-disaggregated data. In addition, an audit of staff in 2012 revealed that 93 percent of Ministry of Finance staff knew of gender budgeting and 64 percent knew of one or more tools. However, only 30 percent of staff directly involved in budgeting activities knew of the G+ scale rating of their program.

Gender budgeting in Andalucía does not cover the revenue side of the budget. This is primarily because there is little revenue competence at the regional level. Nevertheless, the 2012 Gender Impact Report presented a breakdown of regional taxes and tax credits indicating the number of women and men who paid or benefited, respectively.

Importantly, the Gender Impact Report does not analyze the impact of the budget on gender equality. That is, it does not record the degree to which gender equality objectives attached to budgetary programs met their goals. It is in effect a status report on gender equality, to include developments that have taken place in the year being reported on.

Following an introduction, the report is organized according to an adaptation of the 3R[13] gender audit methodology: a section titled "Reality" deals with the reality for women and men in Andalucía, that is, by sector and/or theme (such as health, education, employment, work/family life balance); the next section, "Representation," covers a gender analysis of public sector employment; and the final section sets out the measures specified in the upcoming budget to address gender inequality. All regional ministries are covered in this final section, and each budgetary program is dealt with. Given all of this, rather than specifying gender equality objectives and targets, the commitment to gender equality for the next budgetary period is expressed in terms of the application of gender mainstreaming tools and processes.

It is also worth noting that while close to 75 percent of budgetary programs are now ranked as G+ in terms of their potential to effect gender equality, this does not mean these programs deliver on their gender equality potential. Nevertheless, recognition of gender relevance within the framework of the budget is an important step toward achieving better gender equality outcomes through the budget.

In 2013, the provision for gender audits (evaluations) contained in the 2003 Fiscal Measures Law was enacted. Five G+ programs[14] were assessed in terms of

[13]This is a Swedish gender mainstreaming tool and has become popular throughout Europe and beyond. It has also been updated to a 4R method to accommodate gender budgeting by looking at resources. See http://eige.europa.eu/gender-mainstreaming/countries/sweden for information.

[14]Development Aid, of the Regional Ministry of Local Administration and Institutional Relations; Creation and Dissemination of Statistical and Cartographic Data, of the Regional Ministry of Economy, Research, Science and Employment; Early Childhood Education, of the Regional Ministry of Education, Culture and Sport; Healthcare Provision by the Andalucian Health Service, of the Regional Ministry of Equality, Health and Social Policy; and Rural Development, of the Regional Ministry of Agriculture, Fishing and Rural Development.

effectiveness in attaining gender equality goals, as well as the degree to which the associated processes of planning and implementation were gender mainstreamed. A report of the results published in October 2015 concludes, "gender mainstreaming in the budgeting process and activities has increased during the period 2009–2012 in relation to the work existing prior to this date" (Gualda-Romero, Aguilera-Diaz, and Cirujano-Campano 2015). In this respect four of the programs use sex-disaggregated data and four have provided gender-related training to their staff. However, only one of the programs carried out a gender analysis of its target population. The report is less clear on hard data obtained from measuring actual outcomes. A 2013 audit points to more places for nursery-aged children in state schools, an increase in women entering self-employment and cooperatives, an increased focus on combating violence against women, and an increase in the employment rate among women in rural areas as well as the number of women in positions of responsibility.

The current audit for 2015–16 is evaluating the impact of 26 budget programs. An important follow-up to the audit process will be the planned public consultation process. Those charged with oversight of the gender budgeting process acknowledge the need to engage with civil society, a dimension that to date has been missing in the Andalucía exercise.

Results reported elsewhere include an expansion of the after-school services for children, an increase in female ownership of agricultural holdings, a top-up from the regional government of the state pension, and an increase in female university professors from 13 percent in 2008 to 20 percent in 2015 (Andalucía Regional Ministry of Finance and Public Administration 2016). As of 2014, women occupied 51 percent of senior positions within the administration of the regional government, 33 percent of the positions on the High Court and 42 percent of posts in the municipal councils (Andalucía Regional Ministry of Finance and Public Administration 2015).

Of particular pride and satisfaction to the Ministry of Finance is the advance made with respect to data. Of 282 statistical activities undertaken through the Statistics and Cartography Program for 2012, 129 are disaggregated by sex. Almost 75 percent of budget staff incorporates sex-disaggregated data into their reporting. The use of gender-relevant indicators has increased year by year, with an increase of more than 22 percent in the number of indicators used for the 2015 budget compared to the 2014 budget.

CASE STUDIES OF GENDER BUDGETING INITIATIVES IN EMERGING MARKETS

Albania

Summary

Albania's gender budgeting initiative is driven in large measure by its candidacy for EU membership and support from UN Women. It is also strongly influenced by the model in place in Austria. Both these factors give cause for caution regarding the sustainability of the project once EU membership is attained and external support is no longer available. As a candidate for EU membership, the country has been working toward the restructuring of its economy and the reorganization of its administration in accordance with EU agreements. Albania, like Austria, has been reforming its budget institutions, moving to a medium-term expenditure framework and to results-based budgeting. With its focus on the modernization of many other policy frameworks, including those associated with the Employment and Social Affairs Chapter of the *acquis communautaire*, the government adopted a decision on gender budgeting as a way of satisfying a number of commitments.

One strength of Albania's initiative is its alignment with the government's gender equality strategy. Thus, for the first round of implementation in 2015, nine gender equality objectives with associated budgetary allocations were identified and closely match objectives in the National Strategy for Gender Equality and Eradication of Gender Based Violence and Domestic Violence 2011–15. Table 4.4 provides a breakdown of budgetary allocation by government department and program.

Case study

The Council of Ministers of the Republic of Albania in July 2012 adopted Decision 465, known as the "Decision on the Introduction of Gender Mainstreaming in the Medium Term Budget Program," which was designed by an international gender budgeting expert in collaboration with a national budget expert. This became the legal basis for the introduction of gender budgeting. The decision is another part of the government's strategy on gender equality and can be seen as part of the government's ongoing administrative reforms.

A parallel process is the integration of gender mainstreaming principles and objectives in the National Strategy for Development and Integration, a project undertaken in the summer of 2012 in collaboration with the Department of Strategy and Donor Coordination.[15]

In this respect, it is interesting to note that part of the stimulus for this decision was a study visit to Austria in September 2011 to explore how Austria established the legal basis for gender-responsive budgeting as part of its comprehensive budget reform process. Reform of the budgetary process had been underway in Albania for some years. In 2005 the Integrated Planning System was introduced, a framework that aimed to ensure that core policy and financial processes developed by the government functioned in an integrated manner. These core processes are (1) a National Strategy for Development and Integration, which establishes the government's medium- to longer-term goals and strategies for all sectors and (2) a medium-term budget program, which requires each ministry to develop a three-year rolling plan for the delivery of program outputs within each ministry's

[15]Now the Department for Development Programming, Financing and Foreign Aid.

TABLE 4.4.

Albania: Gender Budgeting Programs, Budget, 2015

Ministry	Program	Gender Equality Objective	Budget Allocation (million lek)	Total Program Budget (percent)
Agriculture, Rural Development, and Water Administration	Rural Development	Subsidies to female household farmers	100 million lek	3.25
Agriculture, Rural Development, and Water Administration	Agricultural Information and Advisory Services	Information and advice to female household farmers	20 million lek	7.6
Social Welfare and Youth	Employment, Qualification and Vocational Education	Vocational education and training for females; employment schemes supporting female job seekers	10 million lek	2.7
Social Welfare and Youth	Social Inclusion	Policy support for gender-related issues	11 million lek	10.7
Social Welfare and Youth	Social Care	Services and financial support to females and female households in financial distress, abused, or member of marginalized social group	90 million lek	0.4
European Integration	Institutional Support for EU Integration Process	Ensuring equal rights/ opportunity to be informed about EU integration process	28.7 million lek	6.6
Culture	Art and Culture	Equal opportunities and rights in accessing specific programs and projects	10 million lek	1.2
Interior Affairs	State Police Support Services	Equal opportunities in enrollment to programs	23.3 million lek	1.9
Economic Development, Tourism, Trade, and Entrepreneurship	Support for Economic Development	Financial support schemes for female entrepreneurs	110 million lek	9.0

Source: Ministry of Labour, Social Affairs and Equal Opportunities, Albania

expenditure ceiling, as set out in the government's fiscal plan. In 2008 a new organic budget law ushered in an ambitious reform of the budgetary process. Among other provisions, the organic budget law (1) calls for a midyear review of the budget process, (2) sets out more fully the budget preparation and monitoring calendar, (3) identifies roles and responsibilities more clearly, (4) establishes a framework for budget management delegation, and (5) introduces further transparency mechanisms through requirements to publish a medium-term budget plan and progress reports on the government website.

Decision 465 draws its legal basis from the Law on Management of the Budgetary Systems, It provides for five actions to be taken by the administration in the preparation of the Medium-Term Budget Program. They are (1) the identification of gender equality objectives with targeted outcomes and indicators, (2) the setting of gender equality criteria for the distribution of Regional Development

Funds, (3) the alignment of gender budgeting with the National Strategy on Gender Equality, (4) ministerial responsibilities for implementation, and (5) a strategy to roll out gender budgeting across all line ministries by 2013.

In September 2012 UN Women provided training on how to implement Decision 465 and commissioned the development of a guide for government officials. Both took careful account of the new budget institutions in place since the introduction of program budgeting. Thus the methodology developed sought to integrate gender as a category of analysis within the structures and processes in use for the preparation and management of the medium-term budget plan.

An important development was the integration of gender budgeting in the Public Finance Management Strategy, 2014–20. The strategy specifically addresses performance-based monitoring of public expenditure. As of 2014 all ministries are mandated to identify gender equality objectives—and corresponding measures and activities—within their annual budget plans. Making gender budgeting a standard element of the performance-monitoring process should maximize the opportunity for the elaboration of meaningful and measurable gender equality objectives. In addition, the enhanced focus on gender indicators will improve accountability.

FYR Macedonia

Summary

Like Albania, the former Yugoslav Republic of Macedonia (FYR Macedonia) gained candidate status to the EU in June 2014, and also receives support for its gender budgeting initiative from UN Women. The initiative was given its first impetus in the 2012 legislation on equal opportunities between women and men. That law signaled the preparation of a Strategy on Gender Responsive Budgeting. It is, therefore, a very young initiative. The Macedonian civil society organization Akcija Zdruzenska has expressed some concern that the government has failed to introduce a promised decree that would have put gender budgeting on a sounder legal footing. Nevertheless, the government has adopted a methodology for gender budgeting and has put in place an array of supports and specified a number of government-wide gender budgeting tools. Implementation is planned over three phases, with the second phase beginning in 2017 and a third phase in 2019. In addition, UN Women in Macedonia is supporting an ambitious project to build the capacity of civil society groups at the local level to carry out gender analysis on the budget and engage with government on gender issues.

Case study

The concept of gender budgeting was first referenced in FYR Macedonia in the National Action Plan for Gender Equality, 2008–12. Early initiatives focused on gender budget analyses of key policies and programs with particular relevance for gender equality, including employment, social protection, the self-employment program, the human rights program, the program for information and communications technology development, and the rural development program.

In July 2012, the government published the Strategy on Gender Responsive Budgeting, which had been developed by senior government administrators with technical support from UN Women. The legal basis for the strategy is contained in the Law on Equal Opportunities for Women and Men, adopted by the national Assembly (the Sobranie) earlier that year. It is further regulated by the strategy on Gender Equality, 2013–20. The principal provisions of the Strategy on Gender Responsive Budgeting include a mandate for the systematic inclusion of equal opportunities in all budget processes, the setting up of an oversight committee, the requirement to consult with civil society in relation to how gender equality can be achieved through the budget, and a call that all data gathered by state agencies should be disaggregated by gender.

The strategy is focused on three areas: (1) introducing a gender perspective in the programs and budgets at the central and local levels, (2) improving the legal framework for the inclusion of gender-responsive budgeting, and (3) strengthening the institutional mechanisms and capacity building that are required for incorporation of the gender perspective in the creation of policies and programs and related budgets. Within this framework, the document sets out a comprehensive set of activities with assigned responsibility and a set time frame.

As part of the preparation for the strategy, the Ministry of Labor and Social Policy in 2012 commissioned an analysis of reforms in budgetary policy. FYR Macedonia had begun a shift toward program-based budgeting in 2008. The analysis revealed weaknesses, including limited capacity of budget users in relation to strategic planning, identification of indicators, and analysis of performance. An overarching challenge is the practice of tabling budget amendments in the middle of the fiscal year. Clearly this affects the realization of targets; indeed, it impacts the process of setting targets because budget users anticipate budget amendments that will change the amount of funds available for their programs.

The analysis identified entry points for gender budgeting in the budget process. In the short term, the obligation to introduce instructions for gender budgeting was included in the Handbook on Strategic Planning and in the budget circular. The Ministry of Labor and Social Policy was tasked with leading the gender budgeting. Several programs and subprograms in the Ministry of Labor and Social Policy; the Ministry of Agriculture, Forestry and Water; the Employment Agency of the Ministry of Labor and Social Policy; and the Ministry of Health were chosen as pilot exercises for the purpose of developing sex-disaggregated output indicators. Long-term recommendations in the Strategy cover mechanisms for ongoing oversight by parliament, transparency and review, participation of civil society, and capacity building for budget users.

An early assessment of the strategy during July 2012–November 2013 by Akcija Zdruzenska points to little measurable progress. A further review, cited within the framework of the European Commission's Exchange of Good Practices on Gender Equality, notes that the 2014 budget does not contain any information on sex-disaggregated output indicators. It also reports that there is no information available to determine if the pilot projects were in fact implemented.

However, 2014 was very early to attempt to assess what is in effect a significant policy innovation. The government assessed the availability of data, and four institutions were selected in 2013 to pursue a gender budgeting approach through the course of a medium-term budget cycle of three years, concluding in 2016. An additional four institutions were selected in 2014 to run until 2017.

One important area in FYR Macedonia is rural development. In preparation for the rollout of gender budgeting, UN Women commissioned a study to look at how rural women fared in terms of government policies and services and the extent to which women received grants and subsidies.

Findings show that analysis to differentiate the needs of men and women, undertaken to inform the development of the National Strategy for Agriculture and Rural Development, was not reflected in the strategy's objectives. Despite this, women have benefited indirectly from measures aimed at improving agriculture technology and market efficiency. Policy incoherence in the selection criteria for grants and subsidies means that while women are given an automatic 10-point lead, they can then be denied eligibility altogether because they do not own property. Not owning land is the biggest obstacle to women accessing grants and subsidies; a complex application process and a system of communication of the schemes that favors men are additional challenges. The recommendations point to infrastructural needs in rural areas that would benefit women, including construction of sidewalks and shelters at bus stations and improving the water supply.

The Ministry of Labor and Social Policy has responsibility for the coordination of gender budgeting throughout the administration, including reporting annually to the government. An Interdepartmental Advisory and Consultative Group provides support and guidelines and plays a monitoring role alongside the ministry.

The ministry of finance has included an instruction on gender budgeting in its budget circular and is responsible for reviewing the gender budget statement submitted by the pilot institutions. The statement is to contain analysis from a gender perspective of the selected program and specify a target that represents an improved gender equality outcome, with appropriate indications.

UN Women has engaged an external consultant to provide support and gender expertise to participating ministries.

A strength of gender budgeting in FYR Macedonia, as with Albania, is that the institutions chose budgetary programs in line with the government's gender equality objective. In this way the analysis—including targets and indicators—used to determine the government's gender equality objectives can form the basis of the analysis for the gender budgeting exercise. Similarly, progress can be measured against the concrete objectives.

Ukraine

Summary

Ukraine has implemented several gender budgeting initiatives since 2003. Currently, Sida, the Swedish government's development agency, is resourcing a seven-year program. The Ministry of Finance in Ukraine is leading the initiative, which is supported by a significant complement of international and national gender budgeting experts. The multiyear time frame should facilitate the bedding down of relevant processes, and it should also allow budget personnel to gain experience in gender budget analysis. The initiative is notable for the level of resources being provided to it by Sweden's Sida. It is also notable for its intention to build on previous experience on gender budgeting in Ukraine, nationally and regionally.

Case study

A range of donors, including UN Women, Sida, the European Union, and the Friedrich Ebert Foundation, has supported gender budgeting in Ukraine since 2003. Much of the early work focused at the *oblast* level (an administrative division) to demonstrate the relevance of a gender perspective through the analysis of selected budgetary measures. Engagement with civil society remains important, and Ukraine's experience with gender budgeting, particularly the early work, is a good example of the use of gender budgeting to activate and empower civil society toward democratic engagement and gender equality reform.

UN Women (then UNIFEM) began its work on gender budgeting in Ukraine in 2008 within the framework of the EC/UN Partnership for Gender Equality for Development and Peace. In 2012–13 UN Women partnered with the Friedrich Ebert Foundation within the framework of the program Increasing Accountability for Financing for Gender Equality to support gender budget initiatives at both local and national levels. Prior to this partnership, the Friedrich Ebert Foundation worked at the local level, where the needs of citizens—including the gendered needs—are more visible. The project encouraged the participation of citizens, who launched a lobbying campaign using a gender budget analysis of health and education programs. The campaign succeeded in ring-fencing funding for health and education priorities.

In parallel to local-level work, national gender budgeting experts worked to introduce gender budgeting nationally by developing gender indicators. To consolidate gender budgeting expertise, UN Women and the Friedrich Ebert Foundation established a network of gender budgeting experts. The Bureau of Gender Strategies and Budgeting gained official recognition and began with 10 experts from the cities of Poltava, Zhitomir, Kharkiv, L'viv, and Lutsk.

Other initiatives associated with ensuring financing for gender equality included the work done by UN Women with the Ministry for Social Protection to develop a methodology to analyze the economic effect of gender policies. The study, which is ongoing, is attempting to track budget allocations to gender equality activities in all 27 regions. An objective of the study is to develop mechanisms to measure the economic impact of spending on gender equality.

Similar work on identifying budgetary investment in gender equality had been carried out by the Women's Consortium of Ukraine in 2011. It focused on documenting the trend in funding for gender equality from all three levels of budgets—national, regional, and local—during 2007–10. Up to 2008, allocations to gender equality activities grew modestly. But in 2009, funds were cut by between 25 and 50 percent, mainly reflecting the global economic crisis. In addition, throughout 2007–10, total allocations were 40–50 percent of what had been costed as necessary to deliver the programs (Women's Consortium of Ukraine 2014).

Also of significance to the pursuit of a gender budget approach is a UN Women's analysis showing that as of 2012 gender had been mainstreamed into 10 percent of 244 officially registered development projects. This study looked at 33 international nonprofit development agencies and found that 12 of these ran specific gender projects, while three other agencies allocated a share ranging from 2 to 12 percent of project funding toward better gender equality outcomes.

Current work on gender budgeting is taking place primarily within the framework of a seven-year project—Gender Budgeting in Ukraine—funded by Sida. In addition, UN Women and the Friedrich Ebert Foundation have an ongoing program on gender budgeting. The Sida-funded program is arguably the best-resourced initiative on gender budgeting to date in Ukraine. It began with a five-year time frame and was extended in 2017 to run for an additional two years. A previous Sida pilot project, which ran from 2011 to 2012, targeted two oblasts and focused on youth and education in one, and sports and physical culture in the other. Awareness of the potential effectiveness of gender budgeting, accumulated over several years of projects, encouraged the minister of finance to approach Sida for bilateral cooperation in implementing gender budgeting as part of ongoing budget reform.

The gender budgeting project has been designed to align with current budgetary and public administration reform work in Ukraine. Three aspects of the reform agenda are relevant to gender budgeting: (1) achieving the level of the EU's *acquis communautaire* in relation to human rights and equality, (2) budgetary reform, and (3) decentralization of government to the regional and local levels. A major focus of the project is to build the capacity of public administrators at all levels of government. In 2017 this focus was extended to the Amalgamated Territorial Communities, a newly established level of government. All aspects of the reform have come into sharper focus with the 2014 signing of the Association Agreement with the EU. Major public finance reform projects have been under way for some time, including a World Bank–funded public financial management project aimed to improve operational efficiency and transparency. Ongoing reform projects include shifting to program-based budgeting, making more evident the links between government policy targets and budget targets, and renewing the focus on medium-term financial planning. The latter is intended to improve the links between financial resources and priority tasks, which in turn should improve the prerequisites for the provision of public goods such as education and social services.

Within this framework of public financial management reform, the overall objective of the gender budgeting project is greater economic efficiency and effectiveness in budget allocations that account for the needs of both genders. It aims to ensure that gender equality objectives are reflected in budget policies and allocations at national and oblast levels, and to encourage civil society discussion of gender equality principles in the context of the budget and facilitate media engagement with such discussions.

The Ministry of Finance is leading the work on gender budgeting and is keen to knit together gender budgeting methodologies with budget reform methodologies. The ministry led a number of state- and oblast-level working groups to produce gender sensitive of 75 programs, with the goal of working toward closing the identified gender gaps. As of 2017 gender budgeting has been included in the ministry's most recent Strategy for Reform of Public Finance (2017–20). In addition, the ministry, though its first medium-term Budget Declaration (2017–20), has instructed all ministries to consider gender equality in the preparation of their budget programs.

The gender budgeting initiative is oriented toward the attainment of the government's gender equality objectives as articulated in the State Program to Ensure Equal Status of Men and Women in Ukraine, 2013–16. This program is underpinned by the 2006 Law on Ensuring Equal Rights and Opportunities for Women and Men, which saw the establishment of a relatively active and, if only for a time, effective gender machinery. The deterioration of the gender machinery is a current challenge to the promotion of gender equality, and is one the gender budgeting project is aware of. Gender working groups, which were once active, no longer exist, and the Inter-Agency Council meets irregularly. The line ministries selected as primary beneficiaries were chosen in part because of their relevance to the attainment of gender equality: the ministries for Social Policy, Youth and Sports, Health, Culture, and Education.

A particularly strategic dimension of the project is the collaboration between the newly established project team, the Friedrich Ebert Foundation, and UN Women. This partnership of expertise, with its historic understanding and experience of the specifics of how the policy channels work in Ukraine, is invaluable. Likewise, years of work in gender and development enable the project to identify gender inequality and to bring this expertise to the relevant budget personnel.

OBSERVATIONS AND CONCLUSIONS ON CASE STUDIES

Most gender budget initiatives have focused on the expenditure side of the budget and mostly in the social sectors. These are the areas where the relevance to gender is most evident to policymakers. The case of Andalucía is an example of a progressive rollout of the methodologies to ultimately include all budgetary measures. Framed as they are within the context of gender mainstreaming, all initiatives have the potential to do likewise.

As exceptions to the general trend, some countries have commissioned studies on the gender impact of revenue policy. Sweden and Austria have carried out such studies for several years, and lately, others, such as Finland, Spain, and Ireland, have looked at the impact of taxation and welfare changes.

Coordination between gender equality goals and gender budgeting could be greatly improved. In most instances where a gender equality strategy is in place, some of the goals articulated overlap with national economic goals. Aligning gender budgeting initiatives with gender equality goals could provide the basis for better gender equality outcomes. Sweden and Finland are good examples of where this coordination is in place, and in the case of Ukraine, the goal is to work toward this.

Gender mainstreaming is a hugely ambitious project, for which resources have not always been adequate. The project of layering gender budgeting onto a gender mainstreaming framework that was already weak has proved challenging (Quinn 2013). Understanding gender—how it is manifest in society and across the policy sectors, how and what data are required, and how it can be applied as a category of analysis—is vital if meaningful gender equality objectives are to be elaborated within the budgetary process. There is evidence that administrators are not seeking out, or not making sufficient use of, gender expertise.

Decentralization has played a role in fueling a number of gender budget initiatives, and many experts believe that it is at the subnational level of government where gender budgeting can be most effective. This is particularly the case where significant spending authority is devolved to the lower levels, as in Belgium and Germany. Indeed, the high degree of devolved spending authority to the Lander level is one of the reasons why Germany has not pursued gender budgeting at the central government level.

Budgetary management and/or governance reforms have provided the stimulus and the framework for the introduction of gender budgeting in several countries. This has proven useful and is potentially a productive modality to further explore and exploit. However, there is some experience (in Austria) that the gender dimension of budgetary reform is given less weight than other aspects of the reform package.

Gender budgeting, as currently practiced, is not targeting some of the macro-level budgetary decisions, which have the potential to have an important impact on women. This is particularly important in times of economic contraction, when decisions on cuts to public expenditure and on revenue policy are being made. Research clearly demonstrates that gender equality has suffered during this current period of austerity in many European countries and that commitments to gender budgeting have been challenged.[16]

Despite the emphasis on the participation of women—within the framework of gender mainstreaming as well as within the framework of development—in many instances little or no space is made for women's representation in the

[16]See Karamessini and Rubery (2014).

government-led processes of gender budgeting. This is despite the fact that women's analysis stands out, and women's groups power many initiatives. Even so, no place has been created for them within the administration itself, where the institutions have been put in place.

Gender budgeting has played an important role in the development of gender equality policy in many countries, particularly those in the former Soviet sphere and Eastern Europe. In most instances this has been driven by the requirements of development agencies and other donor organizations. But it has also led to the activation of civil society there. This analysis has focused on civil society groups in Western Europe. But civil society is also active in many of the states of Eastern and Southeastern Europe—such as Kosovo, FYR Macedonia, and Bosnia and Herzegovina—and engaged with emerging democratic institutions.

Gender Budgeting and Revenue Policy

A tax code is an inherently complex instrument, reflective of a country's history, legal tradition, political structure, and economic base (Grown 2010). It is an instrument that does not yield easily to change of any sort, let alone changes to accommodate gender equality. Taxes are generally considered in terms of their revenue potential, distributional effects, and effect on behaviors. In relation to distributional considerations, tax systems are analyzed in terms of vertical and horizontal equity or ability to pay. In relation to efficiency or incentive effects, taxes are analyzed in terms of how they affect behaviors, including labor supply, saving and investing, and risk taking.

One can also look at incidence and incentive effects from a gender-differentiated perspective. Personal income taxes, including social security contributions, are generally the focus of these studies. From a distributional viewpoint, several studies have examined whether personal income taxes fall more heavily on women or men, reflecting their different position in the income distribution, labor supply, or wages. For taxpayers with equivalent incomes, some studies have examined the distributional effect disaggregated by sex, to capture the differential ability of women and men to make use of deductions and other tax preferences. From an efficiency viewpoint, many studies examine the differences in women and men's responses to income taxes, given their different behavior in economic markets. Much of the focus has been on how the labor supply of women and men responds to changes in net wages and fiscal policy–induced changes in the effective cost of unpaid labor (De Henau, Himmelweit, and Santos 2010). [17]

The section begins with a background discussion on reforms of tax systems during the latter part of the 20th century that contributed to gender equality. Following this, we will look at Austria where, within the framework of an institutionally robust gender budgeting program, the Ministry of Finance has specified a tax-related gender equality objective. The discussion will then take a broader look at a trend emerging in Western Europe where countries are acknowledging

[17] See also Meghir and Phillips (2009) for an extensive overview.

the importance of extending their gender budgeting activities to the realm of taxation.

Background

Stotsky (1996) discusses how gender bias can be found in tax systems—explicitly and implicitly—particularly in relation to the personal income tax, and also surveys reform in a number of countries, both developed and developing. Most countries in Europe reformed their tax codes to eliminate explicit gender bias in the 1970s and 1980s. Reform measures during this period saw the wife being granted the right to sign the tax forms (as in France and the United Kingdom) and the husband losing entitlement, under the tax law, to his wife's nonlabor income (as in the United Kingdom). These reforms reversed the long-standing concept of "coverture" and thus removed a significant obstacle to a woman's standing as a legal entity in her own right and to her economic independence.[18]

For some countries, this reform also entailed shifting from joint taxation to individual taxation, that is, from a system that treats the family as the unit of taxation to one where the individual is the unit. Under joint taxation, there typically would be no explicit bias against women because the household is taxed jointly. However, there was typically implicit bias against the secondary earner (predominantly women) because she would be faced with a higher marginal tax rate under progressive marginal tax rate schedules, which acts as a disincentive to work. Some European countries, including France, Germany, and Portugal, still use a form of joint taxation, which has attracted continuing comment and criticism. For example, in Germany the system of "income splitting" for joint filing privileges couples with higher incomes and large intrahousehold income differentials. It thus reinforces the male breadwinner model and impedes gender equality through women's economic independence (Betzelt and Bothfeld 2011; Palier and Thelen 2010).

When it comes to sales-type taxes—such as value-added tax (VAT) and excises—there is no explicit gender bias because taxation applies to the sale of a good or service. However, there may be bias that is more implicit in nature. There are important design issues with a bearing on gender (Grown 2010). For instance, applying reduced VAT rates (either through zero-rating or exemption or lower-than-standard rates) on products used in the provision of care would help women, in particular, female-headed households. High VAT rates as well as consumption taxes in general may also dampen labor supply, as they reduce real wages (OECD 2012). VAT may also distort the decision between buying goods and services on the market and producing them in the household (while the latter may dampen labor supply, particularly of women).

[18] The doctrine of coverture or "civil death" suspended women's legal capacities during marriage and prevented them from acquiring direct interests in property (Lahey 2011, 17).

From a macroeconomic perspective, decisions to increase the tax take, particularly in times of fiscal constraint, can contribute to the provision of much-needed social programs that will enable women to better balance paid and unpaid work, as well as mitigate the risk of a rise in poverty.

Tax reforms in the emerging markets of the former Soviet Union and Eastern Europe over the past decade have focused on transparency and efficiency, especially with regard to tax evasion and employment incentives. Motivated in large measure by the EU's call for tax harmonization, the emphasis has been on redistributing the tax burden to achieve a more equitable balance between personal and labor income taxes on the one hand, and consumption and environmental taxes on the other hand. Because the reform process was more focused on equity, in terms of ability to pay, gender considerations did not feature in the debate (Rastrigina and Verashchagina 2015).

Leaving aside the removal of gender bias in the income tax code, there remains the issue of allowances and benefits. Some European governments, in an attempt to redistribute income between households, may introduce biases in favor of the traditional division of labor by assessing benefits on joint assessment of the household's income.

Several studies show that, before childcare expenses, it is beneficial to work even for the average secondary earner (Rastrigina and Verashchagina 2015; OECD 2012). Average effective tax rates evaluated at mean earnings for the woman are below 50 percent in all 26 EU-SILC countries,[19] and below 30 percent in 15 of them. In addition, the median value of the marginal effective tax rate evaluated between zero and average earnings is below 50 percent in 23 of 26 countries and below 30 percent in 14 (Bettio and Verashchagina 2009).

Fiscal stimuli designed to encourage women's employment have not been used extensively in Europe in recent decades. Bettio and Verashchagina (2009) show that in eight European countries with middle-to-low employment rates for women, the tax burden for secondary earners and single mothers (those most at risk of labor market exclusion) diminished only marginally over 2001–08.

The OECD (2012), in a study covering 30 countries over 1980–2007, confirmed that higher tax rates on secondary earners reduce women's labor force participation. The European Commission (EC 2013, 45) recently reiterated that secondary earners often face specific disincentives to returning to work from inactivity or to increasing their work hours. Empirical studies find that labor supply elasticity is higher for low-income earners, in particular women with children (Meghir and Phillips 2009). A higher tax burden on secondary workers may therefore have a disproportionate negative effect on their employment outcomes.

[19]European Union Statistics on Income and Living Conditions (EU-SILC) is an annual, EU-wide survey on income and living conditions. It provides cross-sectional and longitudinal microdata on income, poverty, social exclusion, and living conditions. National-level data are gathered by national statistics offices and collated on an EU basis by Eurostat.

Gender Budgeting and Tax Policy

In recent years a trend appears to have developed to incorporate a focus on revenue policy in government gender budget initiatives. Austria has identified a gender equality objective, and some governments—including Finland, Ireland, and Spain—have committed to undertake studies looking at the gender aspects of revenue policy. This section focuses on these new developments in gender budgeting.

Austria

Austria, in 1972, was earlier than most European countries to move to a system of individual taxation. Making the individual the unit of taxation, instead of the family, broadens the concept of horizontal equity and has been recognized as an important step toward women's economic independence, whether governments are motivated by gender equality or not. In the case of Austria, consideration was given at the time of the 1972 reform to the adoption of a "splitting" system, such as that in place in a small number of European countries, including Germany, Luxemburg, and Portugal. However, this was deemed inappropriate, mainly because of the disproportionate benefit to higher-income earners, with little or no gain to low-income earners. In addition, the higher tax rates required to support a splitting system would disadvantage single people.

One assessment of the reform's impact on women's labor market participation was made by Dr. Edeltraud Lachmayer, an official and member of the Gender Mainstreaming Group in the Austrian Ministry of Finance. She concluded that the lack of childcare provision and the prevailing traditional view of women's role in the home mitigated against the incentive toward encouraging women to increase their paid work provided for by the reform. Further, she suggested that, had the government of the day introduced the reform as an explicit gender equality reform—that is, to support women's paid employment and independence—the resulting signal to society might have had the effect of expediting positive change for women. As it was, it took over a decade for substantial changes in women's labor market participation to become noticeable.

Even before its engagement with gender budgeting, the Ministry of Finance had undertaken a regular study to examine the effectiveness of tax incentives, allowances, and other aspects of the tax regime for men and women. Titled *Is the Austrian Tax System Gender Neutral?*, the study was first undertaken in 2002 and updated in 2006, 2010, and 2016. According to one report, the first study revealed a male bias, in that a reduction of taxes for those with high incomes privileges men, who make up 90 percent of the high-income group. One response from the ministry was to elaborate a set of controlling procedures for tax reform as well as for the national budget that would help avoid unintentional gender bias. Recent reports from the Ministry of Finance indicate that these procedures were deemed to be too time consuming and were not used for any length of time.

According to Lachmayer, a drawback of most of the studies conducted in Austria is that they focus only on the distributional side of taxation, not on the behavioral impacts. With this in mind, the Gender Mainstreaming Group within the Ministry of Finance, as part of its legal obligation to implement gender budgeting, suggested a gender equality objective that would potentially impact behavior. Particularly concerned with the thorny issue of women's undue burden when it comes to unpaid care work, the Gender Mainstreaming Group was of the mind that, notwithstanding the impact of other gender-sensitive reforms, unless there is a more equal distribution of paid and unpaid work between men and women, then gender equality will not be fully realized.

Most observers are in agreement with this position (for example, see Pearson and Elson 2015; Rubery 2015; Barry and Conroy 2014). In addition to the potential to bring substantive change, such a policy also has the potential to change attitudes toward the roles of men and women in society at large, which ultimately will influence other relevant legislative and policy reform.

As noted earlier, every ministry in Austria is required to formulate a gender equality objective for its budget. For the Ministry of Finance, that objective is that the tax system supports a better distribution of paid and unpaid work between women and men. Clearly this is not an objective that can be achieved in one budget cycle, or through the activation of any single measure. Thus, the objective will remain in place for some time, with successive budget cycles introducing new measures and refining existing ones toward a progressive realization of the objective.

Among the measures that will contribute to the gender objective is a reduced entry-level tax rate of 25 percent (previously 36.5 percent). As of 2016, a flatter progression will apply, with the existing tax-free earning level of €11,000 remaining as it is; the entry rate of 25 percent applies to €18,000, and rates rising thereafter through five levels to the highest marginal tax rate of 55 percent apply to earnings over €1 million. Given that a substantial portion of those in employment who earn less than the tax-free basic personal allowance (Steuerfreibetrag) of €11,000 are employed on a part-time basis (70 percent), a greater incentive than before is created to top up their part-time working hours to a level closer to full-time work or, indeed, to a full-time job. Accordingly, this measure supports part of the equality objective of achieving a better distribution of paid work between men and women. This will also lead to a reduction in the gender pay gap.

A reduction of standard tax rates results in relief of 1.3 percent for the highest incomes and up to 3.26 percent for low and middle incomes that exceed the tax threshold. Once the social security contribution refund (the so-called negative tax) is taken into account, incomes that are just over the lower earnings limit (Geringfügigkeitsgrenze) will benefit from the highest relief of 4.22 percent. As higher incomes receive relatively less relief, given the current income differential, the gap between the net disposable incomes of men and women will decline.[20]

Increases in tax allowances for children

Most of the benefits for children in Austria come in the form of cash transfers. However, there are two tax allowances for children. One is the sole-earner benefit, which is the one remaining element of household, as opposed to individual, taxation. Applicable also to single parents, the allowance amounts to €494 per year (which is very small relative to income per capita), with a supplement for more than one child. The partner of the sole earner must earn no more than €6,000 per year.

The other tax allowance for children was introduced in 2009 and has, according to the Gender Mainstreaming Group, the potential to advance gender equality. Currently the allowance amounts to €220 per child, per year; if both parents claim it, it amounts to €132 per parent, per child. From 2016, the child allowance increased to €440 per year, per child. As part of this reform, the benefit is enhanced when claimed by both parents. This means that, irrespective of their individual tax rate, each will be eligible to claim €300 per child; should only one parent claim, the amount due will be €440.

Government-commissioned gender and revenue studies

Spain

In its Equal Opportunities Strategic Plan, 2014–16, the Spanish government committed to the analysis of the impact of taxation and public benefits to gauge the influence on women's labor market participation and their "professional prospects" (Government of Spain 2014). The study also was to look at how social security regulations affect men and women differently, and particularly the impact of those regulations related to part-time work. Three ministries were identified as being responsible for the study: the Ministries of Employment and Social Security, Public Administration, and Health, Social Services and Equality. It is worth noting that the study was planned as part of the broader objective of making progress in equality between women and men in the workplace and the fight against pay discrimination.

Finland

Published in late 2015, the Finnish government's study on the differential impact of tax changes covered 1993 to 2012 (Riihela and Viitamaki 2015). The study was motivated by the recognition that tax policy decisions may have an impact on economic equality between men and women and that analyses were necessary both to underpin policymaking and to develop a research base in this

[20]For an overview of the measures of the tax reform and a simulation of their distributional effects, including from a gender perspective, see Schratzenstaller (2015) and Rocha-Akis (2015).

area. Focused primarily on changes in income and consumption taxes, the study also took account of changes in income levels, income distribution, and demography. The study reports that the taxation of earned income had decreased by some 8.5 percentage points, with women and men faring more or less equally. Changes included an increase on taxation on capital income, which had more impact on those with high incomes, a higher share of whom were men. While the study shows that changes in the tax rules resulted in little or no change for low-income people, this could be read to say that this income group has a disproportionately low share in the overall benefit of a lower tax regime. Finally, in relation to income tax, the study reports that a decrease of some 7 percentage points in the combined tax on earned and capital income benefited women slightly more than men.

With respect to consumption taxes, the study pointed to the challenges of assessing the gender equality impact due to the inability of allocating the taxes to individuals. The many changes—up and down—in VAT canceled each other out and the ratios of taxes on consumption stayed almost unchanged during the period under scrutiny. The executive summary of the study also points to a change in the structure of consumption and the propensity to consume. The share of tax-free consumption increased and the share of food and goods with a standard VAT decreased.

Ireland

Carried out by the Economic, Social and Research Institute, a study investigated the gender impact of tax and benefit policy changes from 2009 to 2013 (Keane, Callen, and Walsh 2014). This was a period of successive austerity budgets in Ireland. Using a microsimulation model based on a large-scale nationally representative sample, the analysis sought to isolate the impact of changes in income tax, welfare benefits, property tax, and public sector pay. The study identified the impact of policy changes as distinct from changes in employment, unemployment, or pretax incomes. Changes in disposable income were measured against a base of 2008, and compared to those in 2013.

The research found no sizable gender difference of the impact of budgets from 2009–13 for single persons, with a loss of between 9 and 10 percent for both men and women. For both single men and women without children, losses were greater at the bottom income quintile, driven by social welfare reductions, and at the top quintile, where losses related to taxation and public sector pay changes.

Two scenarios were investigated in relation to couples: one assuming full income sharing and the other assuming no income sharing. Using the assumption of full income sharing, couples of working age with no children experienced a reduction of just under 12 percent, while couples with children and both partners working full time experienced the greatest losses at 13 percent. Under the no-income-sharing assumption, women in working-age couples lost out more when it came to individual income: a 15 percent loss for women, compared to a 10 percent loss for men. Most of the gap was due to changes in child benefits and to social welfare reductions. Looking at the impact across the income distribution and assuming full income sharing, the findings show that tax and benefit changes in the 2009–13 budgets were progressive. However, looking at individual incomes within couples, women lost a larger proportion of their income than men, right across the income distribution, with women in the poorest income quintile losing most.

Two of the main limitations of the research are that it does not take account of (1) the differential impact of cuts in public services nor (2) the impact of changes in indirect taxation. Work is ongoing to rework the model to accommodate these dimensions. The study acknowledges that neither scenario of full income sharing or no income sharing is likely to be accurate, but argues that the approach can help to put approximate bounds on the impact of policy. Finally, the study points to the usefulness of this approach to gender budgeting in that the method could be applied ex ante and would allow a gender impact assessment to be built into the budgetary process.

Gender Budgeting and Civil Society

Civil society has been a key driver of gender budgeting in Europe. Quinn (2009) details the activities of groups whose work contributed to the emergence of government-led gender budgeting initiatives at both national and regional levels. While civil society fulfills several supportive and critical roles to government in relation to gender budgeting, it is perhaps its application of gender expertise to standard economic policy that is of particular importance. At its most basic, the resulting analysis is a straightforward extrapolation of, on the one hand, how men and women contribute to and are impacted by the economy; and on the other, of the factors that inhibit or enhance the participation of both men and women toward the realization of the country's full economic potential. While the analysis put forward does challenge certain normative economic assumptions, it is evidence-based analysis, indeed, constantly pushing for the use of a wider spectrum of data in economic policymaking. Its objective is sustainable economic growth and prosperity for all.

The contribution these civil society groups make is vital to the broader project of gender budgeting for at least three reasons: (1) framed as gender mainstreaming, the reach of gender budgeting has been largely been restricted to public expenditure, thus leaving many facets of fiscal policy unexamined; (2) the depth and caliber of the analysis renders the relevance of gender to economic policy indisputable; and (3) its dissemination among a broad community of academics, policymakers, public representatives, and citizens has elevated the debate and educated the debaters.

This section takes a brief look at three civil society organizations: the UK Women's Budget Group, the Swedish Women's Lobby, and Spain's La Plataforma ¡Impacto de Género YA!

United Kingdom's Women's Budget Group

The United Kingdom's Women's Budget Group is undoubtedly the best-known civil society organization active in promoting a gender equality perspective to all fiscal and budgetary policies. Indeed, it has become a model of how to apply gender-sensitive analysis to fiscal policy, not just for civil society and academia, but also for governments. Many of its members are engaged by intergovernmental and funding agencies, as well as national governments, to provide analysis and expertise, develop tools, and help with the development of appropriate methodologies for the implementation of gender budgeting in a broad range of settings. Made up of academics and activists, leaders and representatives of equality-focused nongovernmental organizations, trade unionists, and students, the United Kingdom's Women's Budget Group encompasses a considerable fount of economic and policy expertise. Its work at home has as its fundamental concern the well-being of women and children, particularly those living in or at risk of poverty. The vision is of a "gender equal society in which women's financial independence gives them greater autonomy at work, home, and in civil society" (UK Women's Budget Group).

Formed in the late 1980s during the Thatcher government, the group's initial project was to use allies within the government opposition to put forward parliamentary questions relating to the impact on women and children of existing or impending government policy. When the Blair government came into power, HM Treasury Department had a Memorandum of Agreement with the Women's Budget Group and, for a period of time, sought the group's analysis and advice on relevant policy matters. In response to an OECD questionnaire on Gender Mainstreaming, Competitiveness and Growth, in October 2000, HM Treasury described the Women's Budget Group as a "key feature of the consultation process with respect to gender." During this time, the Women's Budget Group provided guidance to a gender budgeting pilot project involving three government ministries. The analysis of expenditure brought a focus on the government's New Deal Program and was important for raising awareness and building capacity within government on the relevance of gender to the design of such programs. The project's findings, which informed the 2004 Spending Review, are documented in an HM Treasury 2004 report, "Gender Analysis of Expenditure Project."

The Women's Budget Group's model of analysis is fundamentally a collaborative one and has evolved over the years to encompass a broad-based analysis of government economic policy, highlighting both the social and the gender equality implications. The gathering of group members to view live the chancellor's budget statements has become an institution, allowing for a press release based on an initial analysis of the budget headlines. This is followed by a more in-depth and robust analysis, disseminated widely through its network of members, press, members of parliament, and others.

In one of its earliest studies in 2000, the Women's Budget Group organized its response to the government's prebudget statement around three themes: (1) delivering growth and macroeconomic stability, (2) promoting individual economic security, and (3) increasing national levels of employment and productivity. Within this frame, the analysis stressed that strategies for growth needed to take account of potential human costs so as to be equitable and sustainable; that the proposed modernization of the tax and benefit system and the ambitious New Deals Program be based on the individual, rather than the household, as the unit of economic policy analysis; and that the target of full employment needed to take account of education and training for women returning to employment, an adequately resourced National Childcare Strategy, and an inclusive program of active labor market polices to include women not in employment.

The 2010 summer election brought a change of government. The new coalition government brought in a budget with a number of austerity measures to address the effects of the recession. A key theme of the Women's Budget Group's assessment of this budget was the obligation on government to carry out a gender impact assessment of the budget. This obligation—known as the gender equality duty—came out of legislation brought in by the previous government. The objective of a gender impact analysis is to signal the potential differential impact of a policy or law on men and women, thus allowing for an opportunity to mitigate any potential adverse impact while maximizing a positive outcome for gender equality.

While acknowledging the budget contained some measures—such as the exemption of low-income workers from the public sector pay freeze—that would help to offset gender inequality, overall, the assessment estimated that the impact of the budget would likely see a fall in women's participation in the labor market and the loss of the talents of many women to the economy. The resultant loss of earnings would trigger increases in the cost of tax relief and/or means-tested tax credits and benefits, thus increasing the budget deficit.

A recent example of the Women's Budget Group's reach and influence relates to its analysis of the Chancellor's 2015 Autumn Statement, in which it used the chancellor's theme of security to critique the government for its failure to invest in women's security. In the House of Commons a few weeks later, that theme was again echoed during a debate that sought to put the Conservative Party's "record under the microscope" in relation to gender equality commitments. Several members of parliament referred extensively to the Women's Budget Group's analysis to argue that "women of all ages and backgrounds face an insecure and worrying future," with recent tax and benefits changes hitting women three times harder than men, a gender pay gap of 19.2 percent, cuts to services and the social infrastructure, and a weakening of women's employment rights and opportunities (Green 2015–16).

Swedish Women's Lobby

Founded in 1997, the Swedish Women's Lobby is a politically and religiously independent umbrella organization of over 35 member organizations, whose mission is to strengthen women's position in society. The Swedish Women's Lobby is founded on a feminist platform and bases its activities on the UN

Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Beijing Platform for Action to promote women's full human rights. Its work is primarily aimed at decision-makers and those in power and is framed within the goal of mainstreaming a woman's perspective into all political, social, and economic policies and contexts. The Swedish branch of the European Women's Lobby, the Swedish Women's Lobby also participates as a nongovernmental organization representative in the Swedish Government Delegation to the UN Commission on the Status of Women.

The lobby began its analysis of the national budget in 2007. It wanted to assess the government's recent promise to bring a gender equality perspective to the budget. It also wanted to initiate a discussion, with government and within society, on the differential impact of budget decisions on men and women. The analysis found that while the budget document demonstrated an awareness of gender-related problems and articulated gender equality objectives, the use of sex-disaggregated statistics was inadequate and a gender-aware impact analysis of economic policy proposals had not been employed. That early analysis was self-consciously aware of entering a new domain—that of economic policy—and of providing a new way of uncovering inequalities in a country noted internationally for its better-than-average rating on gender equality.

In its analysis of the 2016 budget, the lobby welcomed the increased use of gender statistics and commended the government for its overt commitment to, and what it saw as the "launching" of, the concept of gender budgeting in Sweden. In terms of gender equitable budgetary measures, the lobby welcomed the cutting back of tax credits, the lowering of tax on pensions, the increase in childcare allowance, and the addition of a reserved month of parental leave. It also noted a strengthening of the infrastructure to better manage gender equality and called on the government to monitor carefully the long-term impact of tax cuts on both women and men.

La Plataforma ¡Impacto de Género YA!

La Plataforma Impacto de Género YA! (Platform for Gender Impact Now!), a grouping of feminist and women's collectives, issue-based associations, and regional forums, formed in 2007. Initially its purpose was to challenge the Spanish government's failure to publish a Gender Impact Assessment of the national budget. The legal obligation to produce a Gender Impact Assessment is most strongly articulated in the Gender Impact Assessment Law of 2003 and further mandated via the Equality Law of 2007.

In 2007 La Plataforma initiated a legal challenge against the government; the challenge was rejected at that time by the public prosecutor but has since been accepted as legally competent by the *Audiencia Nacional*. Since then, the Spanish government has produced an annual Gender Impact Assessment, to which La Plataforma has responded, and issued its own assessment of budget proposals from a gender perspective.

Of concern to La Plataforma in assessing Spain's 2016 budget was the overall slow rate of job growth, with recovery in employment not proportional to GDP. This is against the backdrop of a loss of almost 3 million jobs in Spain between 2008 and 2012 and an unemployment rate of 24.4 percent in March 2012. At the time of the preparation of 2016 budget, women made up about half of the unemployed. Also of concern in relation to employment was a planned 21.7 percent cut in the level of unemployment benefits. La Plataforma pointed out that there was a group of unregistered unemployed who were not covered by unemployment insurance, which, according to 2014 figures, showed that 63.8 percent of unemployed men were covered while 54.2 percent of unemployed women were covered.

La Plataforma's analysis of the budget 2016 focused on four main areas:

- Employment—continued slow growth of jobs and cuts to unemployment protection;
- Downgrading of women's equality infrastructure and resources;
- Insufficiency to protect and support female victims of domestic violence; and
- The suspension of the law that would have extended paternity leave.

La Plataforma welcomed the government's Gender Impact Report's incorporation into the budget, calling it a "significant improvement." However, it stated concerns that while the measures outlined indicate the promotion of gender equality, the failure to identify the required budgetary allocations means that it is impossible to gauge to what extent the measures will be implemented and, therefore, the scope and evolution of the gender equality policy over the years.

CONCLUSIONS

Gender budgeting has enjoyed sustained support across Europe for more than a decade and a half. Several national and regional governments have legislated for gender budgeting (Austria, Belgium, Andalucía), some have initiated changes to the institutions of the budget (Albania, Belgium, Iceland), while others have recommitted to the fundamental concept of marrying equality policy with economic policy (Finland, Iceland, Sweden).

In addition, civil society has provided expert gender analysis and has led the way in broadening the debate on fiscal policy by demonstrating that gender budgeting contributes to good budgeting—budgeting that accounts for the social and economic benefits of women's equality and economic empowerment.

Government-led gender budget initiatives are most commonly implemented in the framework of gender mainstreaming. The traditionally held view of the budget as a gender-neutral instrument, and the resistance of ministries of finance to take up gender mainstreaming, have given way to a broad and diverse tapestry of experimentation, adaptation, and integration.

The practice of gender budgeting across Europe is almost exclusively associated with the expenditure side of the budget, particularly with expenditure related to the delivery of public services. There are exceptions to this trend. In Austria, within the framework of an institutionally robust gender budget program, the Ministry of Finance has specified a tax-related gender equality objective. Some countries have acknowledged the importance of extending their gender budgeting activities to the realm of taxation.

Today, personal income taxes in most European countries are gender neutral and taxation is largely on an individual basis. Nevertheless, secondary earners, the majority of whom are women, often face disincentives to entering, or increasing their participation in, the labor market. In addition, while individual taxation is in place, the assessment of benefits by most governments is most often based on joint assessment of a family's income. Implicit gender bias still applies to sales-type taxes; applying reduced VAT rates on products used in the provision of care would help women and, in particular, female-headed households. Decisions on whether and how to increase the tax take can have a differential burden on men and women and affect social programs, which help women to balance paid and unpaid work.

This chapter examines the status of gender budgeting in the context of the status of gender equality policy in Europe. The European Union has had, on aggregate, a positive influence on the development of gender equality policy, not only in the member states but also in the rest of Europe, with whom it has some formal relationship. Indications of a weakening of the EU social agenda do not bode well for gender equality policy, including innovations like gender budgeting.

Despite the prevalence of both debate and activity on gender budgeting, policy-makers have not taken sufficient account of gender equality when it comes to the design of recent austerity measures. Consequently, the combined effect of structural reforms and retrenchment to social protection systems, as well as changes in unemployment for women since 2011 and projections for the future, suggest that women are at heightened risk of poverty. There is, thus, all the more need for European countries to take gender into account in budgeting in the face of continued austerity.

Coordination between gender equality goals and gender budgeting could be greatly improved. Sweden and Finland are good examples of where this coordination is in place, and in the case of Ukraine, the goal is to work toward this. In addition, budget administrators are not seeking out or making sufficient use of gender expertise in fiscal policymaking.

Budgetary and/or governance reforms, including decentralization, have provided the stimulus and the framework for the introduction of gender budgeting in several countries. Many experts believe that gender budgeting can be most effective at the regional and local levels of government.

Gender budgeting has played an important role in the development of gender equality policy in many countries, particularly the former Soviet countries. Likewise, it has been instrumental in activating civil society.

While many initiatives have not been in place long enough to evaluate concrete gender equality outcomes, it is clear from this survey that significant legislative, administrative, and methodological changes have been undertaken in the institutions of the budget. Such changes, if maintained and acted upon, provide the framework for the ongoing meaningful consideration of gender equality in the formulation and execution of the budget.

Where gender budgeting has been in place for several years (Andalucía, Austria, Belgium, Berlin), it behooves governments to commission independent evaluations so lessons gained can be fed into ongoing work.

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ANNEX 4.1.

Gender Budgeting in Europe Data Template

	National Initiatives								Subnational Initiatives	
	Albania	Austria	Belgium	Finland	Iceland	Macedonia, FYR	Sweden	Ukraine	Andalucía	Berlin
ORIGINS										
Does the government have a gender budgeting initiative?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If yes, start year	2012	2004	2004	2006	2006	2012	2002/2014	2003	2003	2002
If any, end year										
Supported by international organizations or bilateral aid agencies	Yes	No	No	No	No	Yes	No	Yes	No	No
Tied to MDGs or national development plan or gender equality strategy	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	No
SELECTED COMPONENTS OF FISCAL POLICY										
Focus on spending	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Spending focus on key human development (education, health)	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Spending focus on physical infrastructure (transport, water, electricity, energy)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Spending focus on justice and security (violence against women, judicial assistance)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Spending focus on jobs, entrepreneurship, wages, etc.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Structural reforms in spending (subsidies, transfers, incentive or distributional objectives)	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	No
Focus on revenue	No	No	No	Yes	Yes	No	No	No	No	No
Personal income tax focus	No	No	No	Yes	No	No	No	No	No	No
Other tax focus, including general or selective sales and trade	No	No	No	Yes	No	No	No	No	No	No
INDICATORS TO PLACE GENDER BUDGETING IN THE FISCAL PROCESS										
Broad statement of goals of minister of finance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender budgeting statement in budget documentation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Gender budgeting circular or related to instruct the bureaucracy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Gender budgeting in planning and programming	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Gender budgeting outcome report or audit	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes
Explicit reporting on gender equality spending	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes

LEGAL BASIS										
Gender budgeting has constitutional standing	No	Yes	No	No	No	No	No	No	Yes	No
Gender budgeting is incorporated in organic budget or other finance laws	No	Yes	No	No	Yes	No	No	No	Yes	No
ROLE OF GOVERNMENT										
Ministry of Finance lead entity	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Other ministries play consequential role, and which	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Subnational government	No	Yes	No	No	Yes	Yes	Yes	Yes	No	No
ROLE OF CIVIL SOCIETY										
Significant encouragement or participation of civil society	No	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes

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CHAPTER 5

Gender Budgeting Efforts: Latin America and Canada

Lucía Pérez Fragoso and Corina Rodríguez Enríquez

In Latin America, gender inequality in education, health, and employment opportunities, among other areas, is long-standing, not because of isolation, as in other regions, but due especially to poorly designed economic policies and discrimination based on social class, age, ethnicity, sexual preference, and religious belief.

> Inequality has permeated five centuries of racial, ethnic and gender-based discrimination in the region, in societies where people are divided into first- and second-class citizens. It has permeated a modernization process built on the back of the worst income distribution in the world (ECLAC 2010).

In Canada, by contrast, even though no official policy of gender budgeting exists, gender equality is advancing and gender budgeting work is crucial for pressing for government expenditure contributing to the removal of inequalities.

Latin America has made progress on gender equality in recent decades, however, as is evident by improvements in the Gender Development Index (GDI) (Figure 5.1).[1] In every country in the region, the GDI was higher in 2013 than in the early 1990s, reflecting several changes that include the adoption of legislation on equality between women and men and evolution in the institutions of government to reflect this legislation, as well as increasing representation of women in parliament and even women in the presidency in some countries. Other factors include women's increasing economic clout, such as labor market and entrepreneurial activities, and access to cash benefits within public policies.

Despite this progress, many challenges remain for women, including that women continue to shoulder the main responsibility for unpaid care work and a persistent gender income gap. Gaps between formal and substantive equality and political participation also remain. In addition, women in many countries have

[1]The GDI was initially developed by the United Nations Development Program. Stotsky and others (2016) construct the United Nations Development Program's current GDI backward consistently in time to 1980, and denote this the "time-consistent" calculation. The index captures gender gaps in three critical components of equality: health, knowledge, and living standards.

Figure 5.1. GDI, Time-Consistent Version[1]

Source: Stotsky and others 2016.
[1]The GDI generally ranges from 0 to 1, where a higher number implies more equality.

inadequate access to, and limited rights in, sexual and reproductive health. For some women, especially those from lower-income backgrounds or rural and minority origins, progress is slower and gender gaps remain wider.

Broadly speaking, gender budgeting initiatives in Latin America fall into four categories, though some initiatives fall into more than one. These include efforts that:

- focus on the design of a classification system;
- seek to design, monitor, and assess policies, programs, actions, and resources to address inequalities between women and men;
- aim to change laws to establish a legislative basis for gender-related policies, programs, and budgets; and
- are directed at encouraging better citizenship.

This chapter surveys and assesses gender budgeting and related initiatives in Latin America. Canada is included as well for its rich civil society experience, even though the government has not adopted gender budgeting.[2] The chapter identifies a great diversity of initiatives in Latin America, all of them interesting examples of how budget policies and programs can address gender inequality. Most of

[2]The United States is not included because its experience with gender budgeting is limited to subnational entities, and Latin America is included because most initiatives in the Western Hemisphere were undertaken there. Christie and Thakur (2016) cover anglophone and Dutch-speaking Caribbean nations.

the initiatives focused on the expenditure side of the budget. This gender budgeting has led governments to allocate more public resources for programs to address gender equality and to improve the efficiency, transparency, and accountability of government spending.

The analysis focuses on a set of key initiatives, highlighting their strengths and weaknesses, while also briefly surveying initiatives in other countries in the region.[3]

Mexican initiatives, for example, represent an interesting example of how the executive (with women's "machineries" included) and legislative branches of government can work productively with civil society organizations to incorporate gender-oriented goals into policy. In Ecuador, the Ministry of Finance has been implementing an initiative focused on developing a classification system to institutionalize gender budgeting in the administration of public finances. In Bolivia, similarly, one focus was to develop a methodology for budget classification that allows the government to direct its political will toward gender equality and helps civil society organizations monitor government actions through the budget to address gender-oriented goals. The experience in El Salvador, meanwhile, has led to stronger government programs to address women's sexual and reproductive health needs and the scourge of violence against women, and to encourage women's empowerment.

Given the breadth of experience in the region, the chapter discusses key gender budgeting initiatives in depth, while others are summarized. The criteria for the in-depth cases included that the initiative involved the participation of the Ministry of Finance, that it lasted and was institutionalized through several government administrations, and that it entailed methodological contributions that had more general applicability.[4]

As such, the chapter highlights initiatives in Bolivia, Ecuador, El Salvador, and Mexico. It also looks at one in the Federal District of Mexico City that involves a significant subnational entity larger in size than several countries and that meets the general selection criteria.

Efforts in Brazil, Canada, Colombia, Costa Rica, Dominican Republic, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela are summarized.

Similarly, the chapter includes a snapshot of Argentina and Chile because they undertook significant fiscal policy initiatives for gender equality and women's advancement even while they did not label their initiatives "gender budgeting."

The links between gender and socioeconomic inequalities are evident in the region. Table 5.1 indicates that income inequality remains high, despite improvements in the income distribution in some countries over the past decade. On

[3]The chapter focuses on these experiences because they are the longest-lasting, the most significant examples of the different types of gender budgeting in the region, have achieved observable outcomes, have been institutionalized to some degree, and can illuminate other experiences. That said, the chapter also summarizes enriching experiences elsewhere in the region.

[4]The focus is only on gender budgeting even though many or all the countries had other gender-related initiatives.

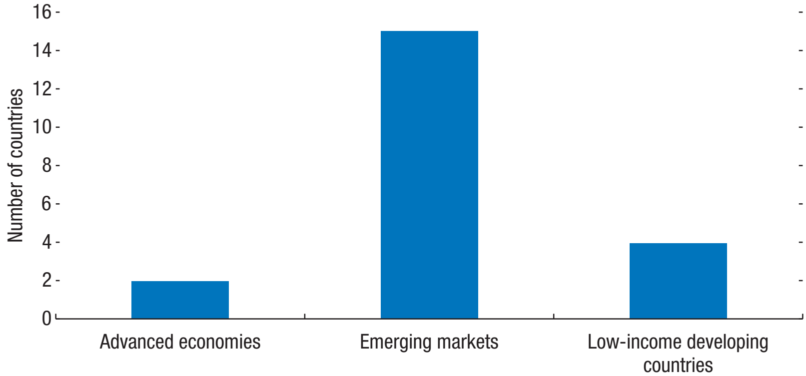
TABLE 5.1.

Western Hemisphere Selected Indicators of Gender and Income Inequality

Country	GDI, Time-consistent[1] (2013)	Gini Coefficient[2] (scale 0–100)	Gross Secondary Enrollment		Labor Force Participation Rate (ages 15–64)		Mean Monthly Earnings of Employees	Maternal Mortality (per 100,000)	Legislation Exists on Domestic Violence	Married Men and Women Have Equal Ownership Rights to Property
			Female-to-male ratio	Female (percent)	Female-to-male ratio	Female (percent)	Female-to-male ratio			
Argentina	0.993	42.3	1.11	96.6	0.67	55.1	0.77	52	Yes	Yes
Bolivia	0.935	48.1	1.00	77.4	0.80	66.2	n.a.	206	Yes	Yes
Brazil	n.a.	52.9	n.a.	n.a.	0.76	65.0	0.72	44	Yes	Yes
Canada	0.983	33.7	0.98	102.3	0.91	74.5	0.76	7	No	Yes
Chile	0.963	50.5	1.04	90.6	0.69	55.3	n.a.	22	Yes	No
Colombia	0.985	53.5	1.09	96.8	0.72	59.7	0.85	64	Yes	Yes
Costa Rica	0.966	49.2	1.05	106.4	0.61	51.0	0.87	25	Yes	Yes
Dominican Republic	0.990	47.1	1.12	80.2	0.67	55.7	n.a.	92	Yes	Yes
Ecuador	0.978	47.3	1.02	87.6	0.68	57.8	0.94	64	Yes	No
El Salvador	0.960	43.5	1.00	69.3	0.62	51.1	0.85	54	Yes	Yes
Guatemala	0.940	52.4	0.91	62.2	0.57	51.3	0.82	88	Yes	Yes
Haiti	n.a.	60.8	n.a.	n.a.	0.88	62.9	n.a.	359	No	No
Honduras	0.967	53.7	1.22	80.4	0.53	44.7	1.02	129	Yes	Yes
Mexico	0.943	48.1	1.08	89.0	0.58	48.2	0.83	38	Yes	Yes
Nicaragua	0.962	45.7	1.10	72.2	0.60	49.8	n.a.	150	Yes	Yes
Panama	0.985	51.7	1.05	86.3	0.62	53.2	0.89	94	Yes	Yes
Paraguay	0.948	48.3	1.05	71.4	0.67	58.6	0.75	132	Yes	Yes
Peru	0.950	44.7	0.96	88.1	0.80	69.3	0.72	68	Yes	Yes
United States	0.995	41.1	1.00	93.9	0.86	66.1	n.a.	14	Yes	Yes
Uruguay	1.010	41.9	1.14	96.3	0.79	67.4	0.75	15	Yes	Yes
Venezuela, RB	1.015	46.9	1.09	89.3	0.66	54.8	0.94	95	Yes	Yes
Regional average	**0.972**	**47.8**	**1.05**	**86.1**	**0.70**	**58.0**	**0.83**	**86**		

Sources: Stotsky and others 2016; World Bank, Women, Business and the Law 2015; World Bank, World Development Indicators database; and IMF staff estimates.
Note: Values are for 2013 or the latest year available. n.a. = not available.
[1]A higher Gini coefficient implies more inequality.
[2]Data are not available.

Figure 5.2. Countries by Development Category



Sources: IMF, *World Economic Outlook*; and IMF staff calculations.
Note: Advanced economies include: Canada and the United States. Emerging markets include: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela, RB. Low-income developing countries include: Bolivia, Haiti, Honduras, and Nicaragua.

average, the Gini coefficient of income inequality is 47.8, although there is a big gap between the countries with the most and least equal income distributions. In this context, public policies can help dismantle the intertwined economic, political, and social dynamics that produce patterns of inequality. Similarly, gender budgeting, by addressing gender inequality and women's advancement, can contribute to this progress.

FISCAL AND REGIONAL CONTEXT FOR GENDER BUDGETING

Of Latin America's 19 countries, 15 are considered emerging markets and four as low-income developing countries, by the IMF's recent classification (Figure 5.2).[5] Despite this relatively homogeneous categorization, the region is well known for its heterogeneity, both between and within countries.

Two discernible trends emerge in the past couple decades when comparing South America to Mexico and Central America. The former was generally characterized by governments that fostered state intervention in the economy as well as an expansive approach to public expenditure, especially social expenditure.

[5]Emerging market economies include Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay, and Venezuela. Low-income developing countries include Bolivia, Haiti, Honduras, and Nicaragua. The Western Hemisphere also includes Canada and the United States and the countries of the anglophone and Dutch-speaking Caribbean.

These economies also benefited from a favorable external context, with high prices for commodities, mostly based on natural resource exploitation. In these countries, social indicators gained somewhat during this period.

In Mexico and most of the Central American countries, by contrast, public expenditure growth was more constrained and economic deregulation more extensive.[6] Economic growth tended to be low for long periods for both regions, with poverty remaining high and gains in social indicators very modest.

Governments, on average, increased revenues and expenditures as a proportion of GDP in recent years. The relatively faster expansion of expenditures (explained mostly by the economies in the south) resulted in rising fiscal deficits. The global financial crisis that began in 2008 and the more recent drop in commodities prices shifted fiscal policies on to a more austere path recently. This outlook does not mean the same to all countries in the region, which have varying degrees of fiscal strength.

Table 5.2 illustrates that, on average, taxes are about 25 percent of GDP. However, in some countries (such as in the Dominican Republic and El Salvador), the share is as low as 15 percent, and in others as high as 35 percent (Bolivia and Brazil). Similarly, public expenditures vary from 14 percent of GDP in Guatemala to 38 percent in Brazil and 39 percent in Ecuador, with considerable variation in between. Also, the composition of expenditures varies, though in every country social expenditures account for the largest share.

KEY GENDER BUDGETING INITIATIVES IN LATIN AMERICA

Gender budgeting initiatives in Latin America have attempted to address gender inequality through fiscal policies and through public expenditure management reform. Again, given the diversity of Latin America, these initiatives have taken varied forms.

The first gender budgeting initiatives in the region started in the early 2000s, when Mexico and several other countries determined key goals for gender equality and women's advancement and whether they had policies and programs in place to address these goals. Some of these efforts focused on integrating gender budgeting into systems of classification of expenditures. Gender budgeting in the region has often been conceived as a tool for planning and as a methodology for budgeting (for example, zero-based or results-based budgeting). Although, ultimately, fiscal policymakers must integrate gender-related considerations into policy and administrative processes to make gender budgeting meaningful, support to the executive branch in the region has come from diverse sources, including parliaments, civil society, and academia, as well as UN agencies.[7] Some of the gender budgeting initiatives, meanwhile, have directed efforts at creating

[6] El Salvador is an exception.

[7] UN Women is the organization supporting most of these initiatives.

TABLE 5.2.

Western Hemisphere Fiscal Indicators

Country	Fiscal Aggregates[1] (average 2012–2015; unless otherwise indicated)[2] (percent of GDP)						Public Financial Management
	Total revenue	**Total expenditure**	**Overall[3] balance**	**Gross[4] debt**	**Education[5] expenditure**	**Health[6] expenditure**	**Public Expenditure and Financial Accountability (PEFA), overall score[7]**
Argentina	33.2	37.5	−4.3	45.2	5.0	3.0	n.a.
Bolivia	38.0	39.9	−1.9	34.6	7.0	4.1	2.4
Brazil	33.5	39.0	−5.5	64.9	5.8	3.7	3.5
Canada	38.5	40.2	−1.6	87.1	5.3	7.6	n.a.
Chile	23.2	24.1	−0.9	14.2	4.3	3.6	n.a.
Colombia	27.7	29.1	−1.3	41.4	4.6	5.2	2.9
Costa Rica	13.7	19.2	−5.5	38.0	4.9[8]	7.0	3.3
Dominican Republic	15.3	18.6	−3.3	33.4	2.1[8]	2.7	2.5
Ecuador	37.8	41.9	−4.0	28.3	4.2	3.5	n.a.
El Salvador	18.2	21.7	−3.5	56.6	3.5	4.4	2.8
Guatemala	11.4	13.4	−2.0	24.4	2.9	2.2	2.5
Haiti	20.8	26.0	−5.2	23.7	n.a.	1.4	1.4
Honduras	24.1	28.5	−4.4	43.7	5.9	4.3	2.8
Mexico	23.8	27.8	−4.0	48.3	5.2	3.2	n.a.
Nicaragua	24.2	25.0	−0.8	29.7	4.5	4.5	n.a.
Panama	21.4	23.8	−2.4	36.6	3.3	5.4	n.a.
Paraguay	22.6	24.2	−1.6	19.3	4.6	4.4	2.6
Peru	21.8	21.8	0.1	21.3	2.9	3.0	3.2
United States	31.1	36.1	−5.0	104.5	5.3	8.1	n.a.
Uruguay	28.6	31.6	−3.0	60.3	4.4	5.9	n.a.
Venezuela, RB	24.0	40.1	−16.2	48.5	6.9[8]	1.8	n.a.
Regional average	**25.4**	**29.0**	**−3.6**	**43.0**	**4.6**	**4.2**	**2.7**

Sources: IMF, *World Economic Outlook*; World Bank Development Indicators; and IMF staff calculations.
Note: n.a. = not available.

[1]All figures except for health and education expenditure are drawn from the latest WEO publication, and the concept of government corresponds to that in the WEO. Please see the WEO for further details. Health and education expenditure are drawn from the World Development Indicators and correspond to the general government concept.

[2]The figures are based on the average over the number of years in this period for which data were available.

[3]Corresponds to the concept of total revenue minus total expenditure.

[4]Gross debt does not net out holdings of debt by other entities of the government.

[5]The figures for education expenditure are based on 2010–13 averages or the number of years for which data are available in this period. The 2013 data are the latest available.

[6]The figures for health expenditure are based on 2011–14 averages or the number of years for which data are available in this period. The 2014 data are the latest available.

[7]PEFA is a performance monitoring framework used to assess the public financial management systems in developing countries. It is an initiative jointly supported by the World Bank, IMF, European Commission, and other development and government institutions. The framework consists of 28 indicators with each indicator scored on a scale from A (highest) to D (lowest). PEFA scores reported above are an average of the 28 indicators and convert the four ordinal PEFA scores (A, B, C, D) to numerical scores (4, 3, 2, 1) with "−" score given 0.5 point. A higher PEFA score implies stronger administration of public finance. On a global basis, the lowest score is 1.1 and the highest score is 3.6. Please see https://www.pefa.org/ for further details.

[8]The figures reflect the value of latest year available since data were not available for the 2010–13 period: Costa Rica (2004), Dominican Republic (2007), Venezuela, RB (2009).

female-only policies and programs (affirmative action), while others have been integrated across most or all areas of the budget.

In addition, gender budgeting initiatives in Latin America have occurred at the national, state, and municipal levels. Indeed, given decentralized fiscal structures in many countries in the region and the important expenditure responsibilities of lower-level governments for basic public services, it was seen as important for gender budgeting to encompass all levels.

Gender budgeting has also brought focus to the role of the legislature in enacting it into law, and apportioning, monitoring, and assessing initiatives. The national parliament's role in the Mexican federal initiative is noteworthy, for example.

And in many Latin American countries, national mechanisms or machineries (in some cases also subnational and/or local mechanisms) have been created to advocate for actions to address gender inequality. These machineries are responsible for promoting, preparing, implementing, and assessing the policies. Indeed, in some cases, women's machineries were instrumental in catalyzing gender budgeting, such as Instituto Salvadoreño para el Desarrollo de la Mujer (ISDEMU) in El Salvador.

Suffice to say, and as noted, Latin America's gender budgeting initiatives are diverse, although they can be categorized into groups:

- One group of countries has focused initiatives on the construction of expenditure classification systems, to allow government to specify and track the resources allocated to gender equality within each institution of the government and to apply pressure to institutions failing to address gender equality.
- A second group of countries has adopted gender budgeting initiatives dedicated to devising fiscal policies and programs to address gender inequality and to ensure that these programs receive budgetary allocations.
- A third group has focused more on developing parliamentary mechanisms to monitor budget allocations for gender equality and design appropriate legislation.
- And a final group of initiatives has been largely outside government, where civil society has taken the lead role and strengthened its own capacity to influence budget policies and processes to address gender equality and women's advancement and to improve budget transparency and enforceability.

The following reviews key gender budgeting budget initiatives in Latin America in these categories (see Annex 5.1 for a summary).

Mexico

Gender budgeting at the national level

Mexico has had two parallel national gender budgeting initiatives. The first one emerged from civil society organizations in 2000 and was subsequently adopted by the national parliament. Under this initiative, civil society and parliamentarians put in place monitoring of the Federation Budget's expenditures for women's and gender equity programs. The initiative made the budget more transparent about whether programs were new or continuing and how resources allocated to them were changing.

Since 2003 the national parliament, led by female parliamentarians and Instituto National de las Mujeres (INMUJERES), worked to ensure that greater resources were devoted to policies and programs that address women's needs (ECLAC 2013). Starting in 2008, the federal government earmarked and registered these resources in an annex of the Budget of the Federation.[8] The earmarked programs are mainly dedicated to women's health and economic empowerment programs and to nurseries, and include resources for justice and law and order programs addressing women's needs. This earmarking is a considerable achievement in ensuring that resources are expended where they are assigned, even while the share of the budget earmarked for achieving equality between women and men remains small, rising from 0.13 percent in 2004 to 0.67 percent in 2015 (García 2014).

The Inter-Institutional Working Committee, now charged with monitoring resources assigned to earmarked programs for gender-oriented programs, is composed of a parliamentary group—the Commission for Equality between Women and Men of the Chamber of Deputies—INMUJERES, civil society organizations, and academia. The committee has the authority to ask for accountability from all institutions that have resources assigned to programs to address gender inequality.

A second, parallel gender budgeting initiative in Mexico, started with a focus on health. In 2003, Gender Equity, Citizenship, Work, and Family, a civil society organization, among other organizations, began working with the Secretariat of Health to integrate gender into budget policies and programs in the health sector (Pérez and Rangel 2004).

The methodology has three stages, which follow the government's budgetary process. The first stage consists of government entities determining gender-oriented needs; the second analyzes whether existing programs meet those needs and how government could address those needs; and the third determines what resources are needed to achieve the intended outcomes and the design of indicators to monitor the results.

In 2004 a guide was developed for the formulation of public budgets in the health sector using a gender perspective (Pérez and Rangel 2004). Its first exercise was conducted for the National Center for the Prevention and Control of HIV/AIDS in Michoacán, a Mexican state. It found that the epidemiological approach was advanced in Michoacán with the inclusion of a gender equality perspective. Nevertheless, the assessment determined that the approach could be enriched with information about the age at which patients become sexually active and the

[8]While some might argue that earmarking is not a good strategy because it reduces budget efficiency, the track record in Mexico for spending money allocated to address women's problems is weak, and earmarking makes it more likely that expenditures reach their intended destinations.

incidence of HIV/AIDS among different ethnic groups. The assessment also suggested that it would be useful to have information on the means of sexual transmission of the infection by gender. The diagnosis clearly showed that women are highly vulnerable to the disease. The group determined that the risk of exposure is greater for housewives, especially partners or wives of migrant workers, because they consider their sexual relations safe and secure, even though they may not be. The analysis resulted in the government developing prevention campaigns for high-risk groups, accompanied by specific pamphlets, posters, and talks for each of the groups at risk, and indicators to monitor progress.

This approach or methodology was adopted more generally to apply across a wider range of the national government's spending areas and to municipal budgets. INMUJERES promotes the use of the methodology described above, or something similar, to integrate gender into budget policies and programs.

INMUJERES indicates other government institutions go through the following stages in gender budgeting at the national level. With INMUJERES, these institutions prepare gender-related proposals, then harmonize proposals with sectoral programs, in accordance with the National Program for Equal Opportunities and No Discrimination against Women. This then feeds into the budget proposal, including the annex, which, when parliament adopts the budget, outlines how funds are allocated to each government institution. Finally, the Secretariat of Finance and INMUJERES monitor compliance quarterly.[9]

Legislative framework and institutional basis

As these initiatives were evolving within the government, parliament also adopted important legislation. In 2006 the federal Budget and Financial Responsibility Law was enacted, stipulating that the administration of public resources be based on a criterion of gender equality, among other things. This law provides guidelines for how gender-oriented considerations should be incorporated into all aspects of the budget and lays down the concept of cross-cutting annexes, including one on gender equality. Article 59 stipulates that resources assigned to budget programs and investments earmarked for addressing equality between women and men cannot be removed or diminished.

In 2006 the law on Equality between Women and Men was enacted, stipulating in Article 12 that the national budget allocate resources for compliance with the National Policy on Equality, which is part of the National Program for Equal Opportunities and No Discrimination against Women. In 2007 two articles were also incorporated into the Budget Decree on Expenditure of the Federation. These articles referred to the promotion of gender equality by the federal government and to the role of INMUJERES as an authority tasked with delivering quarterly reports on the actions promoting women. They helped institutionalize gender budgeting in the budget law and regulatory framework (ECLAC 2013).

[9]Based on INMUJERES' answer to the IMF questionnaire, unpublished, 2015.

Furthermore, the Law on Planning entered into force in June 2011. It guarantees, in Article 2, equality of opportunity between women and men and provides for the advancement of women through equitable access to goods, resources, and benefits of development. In addition, Article 8 requests information on the differing impact on women and men of public planning. It notes that the National Development Plan and the annual, sectoral, and special programs must be formulated with a gender perspective; similarly, the assessments and indicators must be presented broken down by sex (Articles 110 and 111).

At present, with support from INMUJERES, work is under way to achieve similar legislative and programmatic results in Mexico's 31 states and the Federal District (INMUJERES–UN Women 2015).

Mexico City (Federal District)

The capital launched an ongoing gender budgeting initiative in 2007. The strength of the initiative is the cooperation among the city's Secretariat of Finance, which is responsible for preparing the budgets; the Mexico City Institute for Women (INMUJERES Ciudad de Mexico); and Gender Equity, Citizenship, Work and Family.

In December 2007 the Decree for the Budget of Expenditure of Mexico City for fiscal year 2008 was published, which for the first time stipulated that the decentralized government departments, delegations, and agencies introduce a gender perspective in executing their programs and actions (Micher 2014). In 2008 Mexico City's government issued its Budget with Equity, with the first few pages dedicated to explaining gender budgeting, which provided programs focused on and resources allocated to gender equality. The Secretariat of Finance committed to integrating a gender perspective in planning, programming, and budgeting. This support was critical.[10] Each of the departments in the government was asked to include in its budget some policy, program, or action leading to gender equality.

Gender budgeting in Mexico City has continued to evolve since then. The number of programs, participating agencies, and resources allocated has generally increased, even while the spending share of these programs has continued to represent only a small part of the Mexico City's budget (INMUJERES DF 2016). In this way, most government departments have at least one program directed to addressing gender inequality. In the 2015 budget, the main programs were for (1) women's employment, self-employment, economic empowerment, and specifically for migrant and young women's employment; (2) strengthening legal and social services for women and discouraging the use of gender stereotypes in radio and television; and (3) social services for women in vulnerable situations, with application to indigenous women, women in prison, women with drug addictions, and female-headed households (INMUJERES DF 2016).

[10]The methodology can be found in INMUJERES DF (2010).

Among the most important results of Mexico City's gender budgeting is that public transport buses limited to women only were set up in conjunction with the Viajemos Seguras (Let's Travel Safely) Program. The aim was to ensure that women could travel safely around the city, which is essential for their well-being and their integration into work life. By the same token, security was increased on the public subway and on the other transport systems in the city. In addition, programs were put in place to address violence against women and to provide legal advice, shelters, and psychological programs to aid victims.

Lessons from Mexico's gender budgeting initiatives

Mexico, at both the federal and local levels, has fundamentally supported the idea that gender equality can be achieved through fiscal policies and programs. It has led Latin America in incorporating gender budgeting into legislation and processes of government and has spearheaded the development of tools for analysis and preparation of budget policies and programs with a gender perspective. National gender budgeting has ensured the participation of the Ministry of Finance and other relevant institutions and sustained this effort across administrations and legislatures. The collaboration of the national parliament and civil society organizations, most notably the national- and state-level branches of INMUJERES, is a great success and has helped to ensure the continuity and importance of gender budgeting (INMUJERES DF 2010).

Yet, INMUJERES is of the view that gender budgeting has not lived up to its promise, because institutional capacity is insufficient to monitor and assess programs, not enough of the government's budget has incorporated a gender perspective, and national and state laws lack harmonization in objectives and approach (INMUJERES DF 2010).

Ecuador

Ecuador began national gender budgeting in 2005, with the Women's Machinery (then Comisión Nacional de las Mujeres) as a catalyst, and with the leadership of the Ministry of Finance and the National Secretariat for Planning and Development, supported by the United Nations Organization for Women, UNIFEM (now UN Women). In this context, the creation of the National Directorate of Fiscal Equity within the Finance Ministry's Undersecretariat of Fiscal Policy to direct, formulate, propose, and assess fiscal policies to close gaps in gender equity helped ensure institutionalization of the initiative (Coello 2015). Since then, the initiative has focused on integrating gender analysis into budget processes and creating a special budget codification for better monitoring and evaluation.

In 2010 authorities ratified their commitment to gender budgeting by incorporating into the Organic Code on Planning and Public Finance the requirement to report on gaps in gender equality. That year, it then issued budget guidelines, with specific instructions on how to incorporate a gender focus in the central government budget circular and to revise the budget classification system to include gender equity in the functional classification, alongside other government functional spending areas (Almeida 2012).

This classification system enables expenditure for the promotion of gender equality to be registered similarly to sectoral spending. The gender equity classification (referred to as Function K) includes spending to promote and support (1) social and political participation and the exercise of citizenship, (2) a life free of violence, (3) sexual and reproductive rights, (4) mechanisms for care providers, (5) equality of opportunity in access to work, (6) equality of opportunity to access financial and nonfinancial resources, (7) access to resources to obtain sustainable development actions, and (8) ancestral knowledge. Serrano (2013) indicates that the number of entities that registered gender expenditure in Function K and the amounts of funds allocated grew substantially from 2010 to 2012.

The next major step was to transform, in 2012, the functional classification into a Catalog for Orientation of Expenditure on Gender Equality Policies (COGPIG). This enabled (1) linking activities of institutional programs with strategic aims and goals, (2) recognizing the cross-cutting application of expenditure on equality to other groups in the population, and (3) facilitating monitoring of the budget execution (Almeida 2012).

To encourage the use of COGPIG, budget guidelines establish that institutions are obliged to define at least one activity that relates to gender equality policies and to register these resources in COGPIG. For monitoring and accountability, the guidelines also stipulate that the institutions must present reports on the use of the registered gender resources and the results obtained. "In this way, the COGPIG has enabled monitoring and reporting on investment in gender equality, which links the legal mandates relating to the enjoyment of rights and the reduction of gaps laid down in the Constitution and subsequently set forth in law through the Public Finance and Planning Code" (Barba 2014, 12).

In an evaluation of COGPIG, Barba (2014) observes that more than half of resources devoted to gender equality in the catalog were categorized under the institutional framework for the advancement of women. This includes incorporating a gender perspective in public sector management and in the design, monitoring, and assessment of policies and programs. The second largest category is education, to which 14 percent of resources were allocated in 2012 and 16 percent in 2013. This includes programs for women's literacy and accessing basic education, changes to the curriculum to include gender and human rights, and training for women. Barba also found that the remaining categories have smaller shares, under 5 percent. The category for the promotion of access to resources to bring about sustainable development accounted for very little spending in both years. This category includes expenditures to compensate for extractive industries' damage to women's livelihoods, assistance to women in the event of natural disasters, and women's participation in natural resources management.

Barba concluded that although the COGPIG is useful to measure and monitor expenditure, the government is not making the best use of the catalog, because many of the resources allocated to gender equality are in fact not useful for that purpose. When she analyzed the specific institutions that received the most resources of those registered in the COGPIG, she found that the relevant institutions were the National Police and the Ministry of Sport. Furthermore, when she analyzed the actual items and type of services or activities involved, she concluded that those representing direct investment in gender equality amounted to less than 1 percent in the case of the National Police and between 12 and 13 percent in the case of the Ministry of Sport.

Local levels

Gender budgeting in Ecuador also developed at the local level, in cooperation with the Andean Region UNIFEM. The Municipality of Cuenca incorporated a gender perspective in its 2001–04 Equality of Opportunity Program, and from 2004 onward institutionalized it in the Department of Planning and Management for Gender and Social Equality, part of the General Secretariat of Planning for the municipality. The initiative set up a database on planned and accomplished works to analyze their impact on women's lives, incorporated women's demands on policy design through women's participation in the budgeting process, and set up a women's agenda (UNIFEM 2007b). The Municipality of Esmeraldas, also with the support of the Andean Region UNIFEM, in 2003 analyzed gender dimensions of official budget indicators, the budget allocation, management capacity, and sources of funding (UNIFEM 2006).

Lessons from the gender budgeting experience

The Ecuadoran experience is particularly valuable, as it again demonstrates that a government with the intention to address gender-oriented problems through the budget can achieve some success, even if there has been only a modest reorientation of fiscal policies and programs. Ecuador's gender budgeting program also indicates that success requires time and for the instruments to evolve and "political will, effort, conviction, and predisposition to confront the challenges" (Almeida 2012).

In contrast to Mexico, where the initiative was largely homegrown, Ecuador benefited greatly from the support of international institutions, especially UN Women. A productive dialogue prevailed between the international institutions and the Ministry of Finance. The Ecuadoran experience suggests the need for training and education of public officials to make use of the tools and for the government to collect sex-disaggregated information to enable better assessment of the effect of public policies on the lives of women.

Bolivia

Gender budgeting in Bolivia started in 2001 and had a strong influence at the local level but less at the national level. The program has succeeded to date in spurring local governments to allocate resources to address specific gender-oriented goals.

The first Bolivian gender budgeting initiative, with Andean Region UNIFEM assistance, promoted the institutionalization of gender awareness in public budgets and policies and was intended to develop the capacity of women and women's organizations to participate in, monitor, and supervise government budgets (UN Women 2013). This first exercise, carried out for the municipality of La Paz, the capital, was made possible because the city had a well-developed budget system. Following the work of Rhonda Sharp,[11] the initiative identified a level of earmarked spending for gender equality, equivalent to 0.4 percent of total spending, with the remainder devoted to general spending (de Toranzo 2010).

A series of local experiments followed, one in the Cercado province of the Department of Cochabamba in 2005.[12] There, in coordination with the National Working Committee on Gender Sensitive Budgets, the government looked at identifying sources of income for Bolivian municipalities to use for promoting gender equality and identifying gender indicators to monitor whether municipality spending was going to this purpose (UNIFEM 2007b).

Another exercise was carried out in the rural municipalities of the Norte Potosí and Chaco regions, where the authorities began to lay out a methodology for incorporating Sharp's categories in Bolivia's rural municipalities, and then expanded elsewhere in Bolivia (UNIFEM 2007c). These experiences opened the path to improving budget processes to allocate and distribute public resources at the local level for gender equality and women's advancement (UN Women 2013a).

As part of these early efforts, in August 2005 the national government and National Working Committee on Gender Sensitive Budgets agreed to adopt a specific article in the municipal law obliging municipalities to invest in programs and projects for gender equality and in services addressing violence against women. Afterwards, that committee continued its work preparing proposals for gender indicators to be used for monitoring the results of spending, resulting in the introduction of the term "Categories of Investment in Gender," to replace the concept of expenditure, highlighting the developmental aspects of allocating resources to the promotion of women's rights and gender equality.

At this time, Colectivo Cabildeo, the main Bolivian civil society organization working in this area, completed the first study, "Sources of Municipal Investment and Possibilities for Municipal Investment in Gender Equity."[13] The study quantified municipal resources allocated to gender equality and women rights and provided information for women's organizations to demand that local governments include in their budgets a specific allocation for this type of investment.

[11]Sharpm Budlender, and Kerri (1998) proposed dividing expenditures into (1) government spending aimed at meeting the specific needs of women and men of the community, (2) public spending to promote equality of opportunity in employment for employees of government agencies, and (3) general budget expenditure of government agencies.

[12]Departments are major subnational divisions in Bolivia.

[13]Colectivo Cabildeo has been working on gender-related budget initiatives for many years. It is also responsible for a study of the gender dimensions of taxation.

As a consequence, the methodology of gender budgeting nationally and locally now includes five categories of investment (UN Women 2013a). This methodology has been used for analysis of local budget allocations and advocacy to incorporate specific social programs, and is recommended for national use as well.[14]

The first category is investment in women. This includes public investment in programs, projects, and services directed exclusively at women in the various stages of life, aiming to close gender gaps and further women's autonomy. For example, this includes laws that remedy inequality or discrimination specifically affecting women (such as the law against the political harassment of women or laws on quotas). It includes projects or programs for strengthening education, training women for leadership development, and projects to support the strengthening of women's organizations. In addition, it includes projects or programs that contribute to the exercise of citizenship of women, such as the provision of birth certificates, identity cards, electoral registration, and others. Likewise, it includes projects that promote the employment of women, projects to ensure the ownership of and access to land and the means of production by women, and programs that facilitate or promote access of women to health.

The second category is investment for care and the sustainability of life. This includes public investment that promotes the joint responsibility of government, society, community, and all family members in work involving childrearing, care, and sustainability of life, and a better distribution of domestic and care-related work. Initiatives include policies targeting maternity and paternity leave covered by the government; measurement of and research into the use of time, and inclusion in national and local statistics; and infant education centers for boys and girls who have never had access to compulsory schooling. It also includes initiatives in school transport services, implementation of infrastructure and collective services for care (communal meals, public laundries, solid waste recycling), and training and awareness raising exclusively targeting men in tasks related to care of the family.

The third category of investment is for a culture of equality. This includes public investment that promotes structural changes in the patriarchal system, in public management, and in power relationships between men and women. It covers actions aimed at generating changes in public management, society, and institutions to achieve social, ethnic, and gender equality. Initiatives include laws and regulations that guarantee sexual and reproductive rights, address domestic and gender violence, and promote gender-equal forms of verbal expressions.

The fourth category is redistribution for social and gender equality. This includes public investment aimed at redistribution of public resources to improve the living conditions and the enjoyment of human rights of the low-income population, which indirectly contribute to improving the living conditions of women and expand their opportunities to exercise rights. Initiatives include efforts to

[14]Because of national advocacy, two articles were included in the Ley Marco de Autonomías making it compulsory for local governments to use budget guidelines developed by the central government that includes gender categories (UN Women 2013a, 107, referring to articles 114 and 130 of the Ley Marco de Autonomías).

provide clean drinking water, public security, and decent housing; drinking water with different socially and geographically adapted variations (domestic, community, and public basins, for example); public security services; and programs for access to housing and its improvement.

The indicator for gender equality investment is its spending share of total investment. The gender equality investment efficiency indicator compares the total amount executed in gender equality over the amount programmed. The indicators for composition simply estimate the share of each type of investment category.

Under this approach, municipalities are ranked according to the investment made for gender equality. Accordingly, UN Women proposed a scale under which a municipality was ranked excellent if at least 20 percent of its investment was undertaken for gender equality, with lower rankings for smaller proportions. This methodology was used in 2010 to assess municipalities in the Department of Cochabamba; only three had a rating of good and none was excellent, suggesting need for municipalities to strengthen efforts in this regard.[15]

Legislative framework

Nationally, legislative changes favored gender equality that supported gender budgeting. The Political Constitution of the State in 2009 established the equivalence of conditions between men and women, expressed in the articles stipulating the responsibility of the government to offer access to health, education, and safe maternity; to provide sexual and reproductive rights; to incorporate gender equality values and the equality of roles, nonviolence, and full validity of human rights; and to establish equal opportunity to participate in politics.

This constitutional framework is accompanied by laws and instruments in favor of some of the fundamental rights of women, such as Law 243 against harassment and political violence toward women, and Law 348 guaranteeing women a life free of violence. Additionally, institutions have been strengthened to promote policies of equality, including the Vice Ministry of Equality of Opportunity and the Vice Ministry of Decolonization. The latter includes the Unit for Overcoming Patriarchal Systems.

Bolivia is now focusing its efforts in gender budgeting on incorporating into legislation means to implement the 2009 constitution. Priority goes to incorporating a gender budgeting perspective into the national-level Finance Act, budget formulation guidelines, a social and economic development plan, and financing of equal opportunities and sectoral development plans (UN Women 2013b).

[15]The ranking categories are: excellent = more than 20 percent, good = between 10 percent and 20 percent, acceptable = 5 percent to 10 percent, deficient = 2 percent to 5 percent, critical = less than 2 percent. No municipality was ranked excellent, three were ranked good, nine acceptable, and the rest (the vast majority) deficient or critical (UN Women 2013b).

Lessons from the gender budgeting initiatives

The experience in Bolivia started locally and then moved to the national level, where its continuation was supported by a political transformation that attempted to bring in those traditionally excluded from governance. The greatest municipal successes lie in the collective creation of methodologies and instruments for the analysis of budgets from a gender equality perspective.

Progress nationally has been weaker, with the greatest focus of action geared toward achieving inclusion of specific components in new laws. UN Women (2013a) highlights Bolivia's success in developing a conceptual and analytical framework to identify the problems and their scale, empowering women's organizations and public officials to use budgets as tools to transform women's lives effectively, improving budget allocations for programs to improve the lives of women and to reduce inequality,[16] strengthening institutions; and incorporating specific aspects of gender equality in the classification system.

El Salvador

El Salvador initiated work on gender budgeting in 2002, encompassing national and local levels of government and with the participation of civil society and parliamentarians. The national women's machinery, ISDEMU, has actively participated in gender budgeting initiatives.

In the early years, the initiative did not make much headway. In the 2010–14 Five-Year Development Plan, however, the Ministry of Finance introduced a gender perspective in the national budget through programs focused on training public officers and raising awareness of gender inequalities (Ministry of Finance, El Salvador 2011a). The government's main priority under this initiative was working with the judicial system to address violence against women, in collaboration with ISDEMU and the Women's Parliamentary Group. These efforts led, in 2012, to the law Looking for a Life Free from Violence for Women and addressing this violence, and since then, the national budget has earmarked resources for this purpose.[17]

A project headed by ISDEMU and the parliamentary women's group sought to include a gender perspective in the budget. This initiative, referred to as PpRpG,[18] ran from 2011–13 and included the Ministry of Health, Ministry of Agriculture and Livestock, Ministry of Education, Ministry of the Environment and Natural Resources, and the General Directorate of Statistics and Census (Ministry of Finance, El Salvador 2011b). UN Women provided technical advice for budget formulation to the institutions.

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[16]UN Women (2013) indicates that this was a tangible achievement in at least 35 municipalities in eight departments.

[17]For further information, see http://www.mh.gob.sv/portal/page/portal/PCC/LAIP-Unidad_Acceso_Informacion_Publica_Resoluciones/RES-178.1.pdf

[18]*Presupuesto por resultados con perspectiva de género* ("Budgeting by results with gender perspective").

Each ministry or directorate was asked to propose a project to address gender-oriented goals. All pilot institutions identified gender gaps and agreed to allocate resources to the identified projects and to harmonize statistical tools for disaggregating government data by sex and age. ISDEMU attributed the limited success of the pilot operations to a lack of Ministry of Finance leadership to ensure compliance, fiscal austerity that diverted attention from gender-oriented goals, the absence of a unit dedicated to gender inside each of the various institutions of the government, and the limited technical capacity of these institutions to formulate budgets with a gender focus (ISDEMU 2015). At the same time, the government had an initiative to adopt program budgeting, into which the PpRpG was embedded.

During a continuation of this initiative, in 2014 and 2015, ISDEMU proposed to strengthen the process by (1) creating a single budget unit to promote gender equality and the advancement of women in public expenditure across all areas of the budget, (2) setting aside a specific section of the budget for gender-oriented priorities, (3) preparing a relational annex of gender-related programs and projects (documentary summary of the actions of the public institutions and their respective resource allocations), and (4) allocating a budget to the National Policy for Women's Action Plan. ISDEMU also advocated expanding the process to include the National Commission for Small and Micro Enterprises, the Ministry of the Economy, the Ministry of Justice and Public Security, and the Supreme Court of Justice.

The culmination of the public administration reform process using the PpRpG approach is planned for 2017. It will be reinforced by measures in the Development Plan 2014–19, which promote better access to credit and the banking system for women and employment opportunities, and strengthened women's property rights (El Salvador Secretaría Técnica y de Planificación 2014).

El Salvador has also had a gender budgeting initiative at the municipal level, since 2012, which it developed with UN Women, ISDEMU, women's machineries from the municipalities, parliamentary women's groups, and others.[19] In 2012, another program, coming directly from the presidency, named Women's Cities, was initiated to give attention to women's sexual and reproductive health, the eradication of violence against women, and women's economic empowerment.

This project is in place in six municipalities: Colon, Moraza, San Martin, San Miguel, San Salvador, and Santa Ana. The program, funded by the Inter-American Development Bank, clusters state institutions together to provide special services to women and childcare centers to allow women to leave their children while they receive health treatment.

[19]Municipalities included Santa Tecla, Puerto de la Libertad, and Zaragoza and municipal women's units of the municipalities of San Salvador, Santa Tecla, Zaragoza, Puerto la Libertad, Ciudad Arce, Colón, Ciudad Delgado, Cuscatancingo, and San Miguel.

Lessons from the gender budgeting initiatives

El Salvador's progress in gender budgeting is attributable to factors such as the commitment and perseverance of the government and ISDEMU to gender equality and the Women's Cities initiative. The support of the Ministry of Finance for the PpRpG was a factor in that it was then adopted by other parts of the government, and the results-based management approach, which was being implemented at the same time, meshed well with the goals of gender budgeting.

LESSONS FROM THE KEY GENDER BUDGETING INITIATIVES

These gender budgeting efforts allow us to draw several broad conclusions. They were strongest when the Ministry of Finance supported them, but their success also relied on collaboration with the institutional machinery furthering women's and civil society organizations and assistance from international organizations, chiefly UN Women. The women's machineries and external entities were critical in not only encouraging the government, but also monitoring the outcomes. These initiatives also benefited from the identification of clear goals for gender equality and women's advancement, and research to suggest the most appropriate structure and necessary funding of public programs. Importantly, parliament also provided a strong and appropriate legal framework and was a catalyst to the executive branch. The most successful programs relied on all these entities working together.

It probably would have been the case that, with a few exceptions, most Ministries of Finance would not have incorporated gender budgeting if it were not for the pressure of the women's machineries, parliamentarians, or civil society organizations. It is important that the women's machineries hold a high-level institutional position, which increases their ability to advocate for gender budgeting.

Overall, it is possible to identify some specific programs that emerged from the gender budgeting initiatives, especially in women's education and health and addressing violence against women and women's safety. However, budget processes are complex, and the main achievement of gender budgeting is that it has led to more systematic incorporation of gender-oriented concerns throughout the budget process and across sectors and strengthened the transparency and monitoring of the budget.

Other Gender Budgeting and Related Initiatives

Brazil

Brazil has undertaken a diversity of initiatives for budgets with a gender perspective. Significant innovations included the integration of gender budgeting with citizenship training through the development of "participatory budgets" and the integration of gender analysis with racial analysis. The main thematic priorities in these initiatives were addressing poverty and violence against women.

The oldest gender budgeting initiatives in the region were carried out in Brazil.[20] The city of Recife has been doing participatory budgeting with a gender perspective since 2001,[21] when the city established the Coordinating Committee for Women to advance gender equality and encourage higher female participation in democracy (UNIFEM 2008). In 2010 Recife created the Women's Secretariat as a substitute for the Coordinating Committee and substantially expanded its budget in 2011 to address women's issues. In the following years, initiatives include a local plan for women's policies (Plan Municipal de Políticas para las Mujeres), which entails assigning priority to increasing resources, developing gender equality indicators, and organizing a forum (Foro de Gestores y Gestoras de Género) to monitor compliance (UN Women 2012).

Nationally, the Women's Budget, a project conducted from 2002 to 2012 by the Feminist Center for Research and Advice, a civil society organization, led to an annual analysis of the budget. It systematically organized information for about 60 federal government programs to examine how public expenditures were addressing gender inequality (Coello 2015).

Information generated in the Women's Budget was used for civil society, feminist groups, different committees, and the Public Security Advisory Group (Consejo Nacional de Seguridad Pública). The group was charged with integrating gender and race perspectives into the National Program for Citizen's Security (Programa Nacional de Seguridad Ciudadana), as well as monitoring resources assigned for women's security. However, the Feminist Center for Research and Advice was too small to cope with this work, and the national budget planning approach, the main problem, was changed, making it difficult for citizens to monitor budgets for compliance with the initiative's goals.

Further progress on gender budgeting would likely require that the Ministry of Finance create a classification system designed to track the resources allocated to equality between women and men by each of the government institutions and then to link these resources to programs.[22] The main success of these initiatives in Brazil was that they strengthened civil society and brought together women to participate in citizens' activities.

Canada

There is no specific government initiative for gender budgeting in Canada. Nonetheless, government machinery for women's equality exists and civil society has been actively involved in analysis of the government budget with gender-oriented goals in mind.

[20]The Municipality of Santo Andre in 1997–2000 began to develop a budget using racial and gender analysis (UNIFEM 2008).

[21]Coello (2015) and UN Women in their answer to the IMF survey, unpublished (2015).

[22]Feminist Center for Research and Advice explains the change in Portuguese at http://www12.senado.gov.br/orcamento/documentos/programas-sociais/tematicomulher/2014/elaboracao/metodologia-orcamento-mulher/view.

The federal Ministry of Status of Women, established in 1971, has worked with Status of Women Canada, a federal government agency set up in 2004. The latter is responsible for promoting gender equity and the participation of women in economic, social, and democratic life (Status of Women Canada 1995). Status of Women Canada's priority areas are gender violence, leadership by women, and economic security.

In 2009 the General Audit Office carried out a study that concluded the Canadian government lacked gender analysis in its policies. The government therefore set up the Departmental Action Plan on Gender-Based Analysis to promote the development of tools and training for gender analysis of public policies. However, little evidence exists that government agencies carry out systematic analyses from this perspective. Nevertheless, the Canadian statistics agency, together with Status of Women Canada, produces disaggregated information and reports every five years on the status of women, which could be used as the basis for this type of analysis (Day and McMullen 2005). For example, the last report, in 2015, indicates stability in the proportion of single mothers in Canada (at 13 percent) and that motherhood is shifting to older ages, there is a growing population of immigrant women (21 percent of the total female population), educational attainment is higher among immigrant women than Canadian-born women, the labor force participation rate is lower among immigrant women, and immigrant women take longer to integrate into the labor force than immigrant men.[23]

The support for gender-oriented fiscal policies in Canada has resided mainly in civil society organizations, as indicated in two initiatives.

The first is the report, "A Gender Analysis of the Last Ten Federal Budgets (1995–2004)," conducted by a consultancy firm for the Canadian Feminist Alliance for International Action. On budgetary priorities that could have a clear and direct impact on women, the report looked at federal support for affordable housing initiatives, childcare and early childhood learning, and care initiatives that support women's caring roles as mothers and enable them to secure paid employment. It also looked at benefits provided through Canada's Employment Insurance program for those who find themselves in between paying jobs and for women requiring paid maternity leave. Importantly, it examined federal transfers to enable provincial supports for public health care, education, and social assistance to the country's most vulnerable and at-risk populations (Yalnizyan 2005). The report concluded that in times of deficit (1995–97) and surplus (1998–2004), the government's priorities did not adequately focus on the needs of women and the structural barriers to gender equality.

The second initiative, the Alternative Federal Budget, is broader.[24] The initiative, coordinated by the Canadian Centre for Policy Alternatives, has been in

[23]The full report can be found at http://www.swc-cfc.gc.ca/rc-cr/stat/wic-fac-2015/index-eng.html.

[24]For more information, see https://www.policyalternatives.ca/projects/alternative-federal-budget.

operation since 1994, with the participation of a broad spectrum of civil society organizations and individuals. It produces an annual report examining how taxes and expenditures reflect the "values of human dignity and freedom, fairness, equality, environmental sustainability, and the public good."

The alternative budget, published every year, tends to propose significant deviations from the federal budget and has a specific chapter on gender equality. In 2015, it covered an extensive array of spending and tax actions, along with reforms of government regulations or laws. Components of the proposals included:

- Funding for annual, detailed national surveys on violence against women; support for an office to provide federal coordination; increased funding for prevention programs; increased funding for victims' services, including long-term housing; and funding to support uniform access to specialized social, legal, and health services, including domestic violence courts, sexual assault nurse examiners, and crisis centers;
- Increased funding for the Status of Women Canada and the restoration of its mandate to fund women's groups to conduct independent policy research and advocacy;
- Funding for investment in social infrastructure, including a federal childcare program;
- Increased women's access to jobs in growth sectors through training, education, and access to childcare;
- Provision of adequate and accessible income support and improvements in the earnings and working conditions of those in the low-wage workforce;
- Proactive measures to ensure equal pay for work of equal value by repeal of the Public Service Equitable Compensation Act, establishment of proactive pay equity legislation, and implementation of the recommendations of the 2004 Pay Equity Task Force; and
- Elimination of income splitting, certain retirement compensation arrangements, and tax-free savings accounts.[25]

Colombia

Colombia's first gender budgeting initiative was in 2003, in municipalities in the Departments of Caquetá, Putumayo, Nariño, Cauca, Tolima, Huila, Bolívar, Antioquia, and Norte de Santander. The Office of the Presidential Council for Equity of Women, the highest authority for the direction and implementation of policies for gender equality, promoted the initiative. It aimed to include a gender perspective during preparation of local budgets and sought to increase expenditure allocations to address the problems of gender inequality through municipal programs and policies.

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[25]See the 2015 version at https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2015/03/AFB2015_MainDocument.pdf.

In the capital city of Bogotá, a gender budgeting exercise in 2008–10 aimed explicitly to address gender equity through projects to equalize opportunities for women and provide them with refuge from domestic violence, even though minimal resources were given to it (Mena 2011).

Nationally, an initiative in 2004, also led by the Office of the Presidential Council for Equity of Women, aimed to analyze and influence the budget from a gender perspective.

Costa Rica

Costa Rica began work on a gender budgeting initiative in 2005 through the Equitativos program, "One country working for equality," which is still in force. The project arose as an initiative of the National Institute for Women (INAMU) to comply with the commitments of the government on human rights. In this way, INAMU seeks to establish the legislative and operational bases for the use of gender budgeting tools in the country. The program operates through a subcommittee composed of INAMU and the Ministries of Finance, National Planning, and Economic Policy.

Achievements that INAMU highlights include (1) the annual issuance of directives for the incorporation of a gender perspective in all official documents has been institutionalized, (2) monitoring information on national planning disaggregated by sex, (3) public officials now trained to apply gender-oriented concepts, and (4) establishment of a Women's Network for Fiscal Supervision.[26]

For INAMU, program difficulties center on the lack of resources for monitoring and expanding of scope of coverage, resistance of some sectors to inclusion in the project, and insufficient political commitment. As a result, specific budget allocations for the achievement of gender equality have been limited.

Dominican Republic

The Dominican Republic embarked on a gender budgeting effort in 2012, based on a law requiring a cross-cutting focus on gender and the National Development Strategy, which covers 2012 to 2030. In the brief period since the issuance of the strategy, the government established cooperation between the Ministry of Economy, Planning, and Development; the Ministry for Women; and the General Directorate for the Budget. It has also received financial and technical assistance from international organizations and other countries in the region. The initiative led to budget allocations for the Ministry for Women, its municipal and provincial representative offices, and accredited civil society organizations that work for women's rights.

The Ministry for Women plans to set in motion a pilot program to monitor incorporation of a gender perspective in the sectoral public budgets of the Ministries of Education, Health, Labor, and Industry and Commerce; the Social

[26]The authorities' response to the IMF questionnaire, unpublished, 2015, page 3.

Cabinet; and the General Directorate of Government Contracting and Purchasing of the Ministry of Finance.

Consequently, in 2014 UN Women began assisting the government with the execution of the National Development Strategy and the Support Program for Civil Society and Local Authorities. It has assisted with the preparation of budget reform, the main result of which will be, as of 2017, multiyear, results-based budgeting. However, this initiative has encountered problems. For the Ministry for Women and UN Women, these problems are mainly a lack of financing and political will of the civil service to ensure compliance with the National Development Strategy.

Guatemala

The process toward peace and democratic transition in Guatemala that started in the 1990s was based on the country's commitments to guarantee human rights for all its citizens. To fulfill the legal and political commitments enshrined in the 1996 Agreement on a Firm and Lasting Peace, fiscal support was needed to counteract alarming rates of poverty, inequality, and deprivation of people's basic rights. In this context and in accordance with commitments under international conventions and treaties, in particular the Convention on the Elimination of All Forms of Discrimination against Women, the Presidential Secretariat for Women (SEPREM) began incorporating a gender focus into the national budget.

The executive branch defines a public budget with a gender focus as one that is "constituted to meet the needs of the population by classifying what is aimed at addressing the needs of women and men . . . [and] for a part of public income to be directed to eliminating marginalization and exclusion through the identification of differentiated needs" (SEPREM 2011).

In 2003, for the first time, SEPREM presented to the Ministry of Public Finance an approach to gender budgeting that resulted in the ministry adding a gender focus to its accounting system—the Gender-Related Classification System. The gender classifier is a "measure aiming to increase the visibility of the allocation of government financial resources invested for the direct benefit of women, adolescents, and girls."[27]

Besides gender, other classifiers focus on government sectors, including security and justice, education, water and sanitation resources, risk taking, and programs to reduce hunger and address problems of other specific segments of the population—indigenous people, infants, and youth (Ministry of Public Finance 2014). The classifiers break down the beneficiary population by age, sex, and ethnicity. SEPREM produced and disseminated the first version of the *Manual for the Gender Focus Budget Classification System* in 2004. No significant results were obtained initially. In 2010 SEPREM issued the second version of the manual, constructed using the building blocks of long-term public policies of

[27]Presidential Secretariat for Women, response to questionnaire, unpublished, 2015.

Guatemala: the National Policy for the Promotion and Comprehensive Development of Women and the Plan for Equity of Opportunity 2008–23.

In 2012 the Specific Cabinet for Women, created in the government, is a high-level committee to articulate and promote inter-institutional actions for women and is coordinated by SEPREM.[28] In 2013 Congress issued decrees reforming the highest-ranking laws, including the Organic Budget Law, which introduced Article 17 requiring government agencies to apply the Gender-Related Classification System for preparing preliminary budget plans and monitoring expenditures. The reform also introduced a regulation obliging each agency to deliver quarterly reports on the execution of expenditure in accordance with the Gender-Related Classification System, with fines for noncompliance.

Together with the latest reform, technical adjustments were made to the Gender-Related Classification System to include a principal component and a subcomponent. The principal component includes economic, socio-cultural, political, legal, administration, services and others, and multiple areas and various activities. Each of the six areas groups strategies and actions of the Promotion and Comprehensive Development of Women and Plan for Equity of Opportunity 2008–23 public policies.

The subcomponent sets three categories of benefits for women to determine priorities within budgets:

- Category 1—expenditure earmarked for women
- Category 2—allocations giving priority to women even when there are explicit benefits for both sexes
- Category 3—female beneficiaries represent at least 50 percent of the total of male beneficiaries

The Gender-Related Classification System is used in filling out Template 1 of the Thematic Classification System–Gender Focus (Ministry of Finance, Guatemala 2008) where the budget allocations, the status of its execution, and the beneficiary population, broken down by age, sex, and ethnicity, are stated. This table acts as the basis for the institutional report.

At the end of the first four-month period of 2015, the relevant agencies presented their reports to the Ministry of Finance using Template 1 of the Thematic Classification System–Gender Focus for the first time. Of the reports submitted, 10 out of 19 municipalities and three out of 16 government agencies presented them correctly with regard to the status of budget execution at program level; aims; goals; beneficiary population broken down by sex, ethnicity, age, and geographical location; obstacles; and achievements.[29]

SEPREM is charged with verifying that the data presented in the reports are true and correspond to the attainment of the goals of the Promotion and

[28]The Specific Cabinet for Women is composed of 18 government institutions and 86 municipalities, of which 47 are high priority, and includes nine ministries that manage their own budget resources dedicated to women.

[29]Presidential Secretariat for Women, response to IMF questionnaire, unpublished, 2015.

Comprehensive Development of Women and Plan for Equity of Opportunity 2008–23 programs and public policies.[30] The Ministry of Finance corroborates that the financial information corresponds to the achievement of actual goals.

The Guatemalan experience suggests certain useful factors for success in gender budgeting. The soundest element is the requirement in budget laws for submission of reports on how ministries and other government agencies are meeting gender equality objectives and budgetary sanctions for noncompliance. It is also very significant that the initiative is guided by the highest-ranking government agencies, namely the Presidential Secretariat for Women and the Ministry of Public Finance, and it has its own resources to finance it. There has been less success, however, in seeing the results of programs given priority under this approach.

Honduras

The most important milestone in Honduras' gender budgeting initiative was the incorporation in the 2014 budget of a focus on gender. Article 10 of the budget law stipulates that the government shall promote gender equality in the design, preparation, application, monitoring, and assessment of the results of fiscal programs. To this end, the departments and agencies must take into account a matrix of indicators of equality between women and men to assess the results of the programs for which they are responsible and break down beneficiaries by sex and other characteristics. The institutions that execute specific expenditure for women must present a half-yearly execution report to the National Congress through the Commission for Gender Equity. Despite this promising start, authorities say the initiative is still in its initial stages.

Concurrently, the National Institute for Women has presented proposals on gender budgeting to the relevant authorities. Its ideas include constructing an Index of Investment in Gender Equity and incorporating the function of gender equity in the functional catalog of the budget.[31] This proposal would oblige the government to apply this functional catalog in the programming, formulation, execution, and assessment of budgets.

Finally, a gender budgeting initiative has been under way in the Municipality of Santa Rosa de Copan since 2006, on the basis of which a gender equality and citizens' participation policy was approved. The main results were the elaboration of municipal statistical data by sex, linked to the municipal system of indicators; an increase in the budget allocated to address violence against women; and the professionalization of the Women's Office.

Nicaragua

The legislative branch of the national government has a gender policy, adopted in 2013, which has among its objectives incorporating a gender perspective in the

[30]Ministry of Public Finance, response to IMF questionnaire, unpublished, 2015.

[31]This index relates the budget allocation to programs that can improve women's lives in relation to the total budget.

annual general budget law and in national economic policies.[32] For this, the government aims to use the methodology and gender indicators from the National System of Data and Indicators to analyze whether tax and financial policies and the allocation of public expenditure are equitable for men and women or, at least, do not have any negative effects on either. Results are submitted to the executive branch for consideration. The periodic updating of the system's gender indicators will be of particular relevance, showing disaggregated information on the various macroeconomic indicators to strengthen the work of the legislature in formulating the Annual Law, as well as in formulating, monitoring, and assessing national economic policies with a gender perspective. Results are not yet clear.

Locally, the government of Nicaragua and the United Nations jointly developed a program, From Rhetoric to Reality: Toward Gender Equity and Empowerment of Women through Gender Practices and Participation in Public Budgets, for 2008–12. The project developed activities to strengthen the ability of women in 15 municipalities to incorporate gender-oriented goals in the formulation and implementation of municipal development plans and results-based budgets.

Similarly, the project promoted gender practices in the national policies and budget, particularly of the Ministries of Health and Labor (MDG Fund 2012). Among the concrete gains in the pilot municipalities, women's access to employment, credit, training, and food security programs were expanded. Access to sexual and reproductive health services also expanded, as did access to interventions to address violence against women, and political participation increased (MDG Fund 2012).

Panama

In 1999 the Public Policy for Equality of Opportunity for Women was launched to promote allocation of budget funds for projects to underserved and high-risk groups and to improve women's quality of life.[33] In 2008 the National Institute for Women began to incorporate gender equality and women's opportunity into the national development policy and the government's budget and to participate in the mechanisms of monitoring and assessing the effectiveness in coordination with the Ministry of Economy and Finance and other public agencies.

In 2012 a new Public Policy for Equality of Opportunity for Women was developed with a specific section on gender budgeting. It aims "to promote the creation of institutional mechanisms and structures to implement public policies with a gender perspective that guarantee the coordination, execution, and assessment of programs and actions aimed at the exercise of the human rights of women," among other things (INAMU 2012, 18).

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[32]Resolution J.D. 07–2013 Approval of the Gender Policy of the Legislative Branch, Managua, Nicaragua.

[33]National Assembly, Republic of Panama, Legislative Assembly, Law 4, Article 6.11.

In 2014 the Ministry of Economy and Finance signed the National Agreement for the Promotion of Productive Development through the Economic Autonomy of Women, with the requirement to set up a joint working committee with the National Institute for Women. Goals include formulating a methodology to design gender-responsive public budgets and reviewing the manuals for budget formulation and execution to include a gender perspective, thus enabling the government to construct a historical series to measure progress in public investment in equality of opportunity. Other goals include setting up mechanisms to analyze, understand, and assess the impact of the projects with gender focus. Thus far, there is little indication that much use has been made of this framework.

Paraguay

Incorporation of budgets with a gender focus in Paraguay has been a progressive effort. Even as early as the 1970s, the government undertook programs to promote economic autonomy for women. Later, specific economic projects for women were launched in the poorest rural areas.

The gender budgeting process started formally in 2001 with the creation of the Commission for Equity, Gender, and Social Development of the Chamber of Senators, which received technical and financial assistance from the United Nations Population Fund on topics connected with equity and gender in the general budget. As one very significant innovation, family planning was included for the first time in the general budget, under the Program for Sexual and Reproductive Health of the Ministry of Public Health and Social Welfare. Supplies for family planning had previously been provided entirely by international cooperation agencies.

The national budget analysis initiative was replicated in the municipality of Asunción in 2003. The Standing Advisory Commission for Gender Equity, drawn from the Municipal Board of Asunción, embarked on a gender-based review of the preliminary municipal budget for fiscal year 2004 (UNFPA 2006). Based on this analysis, patient charges for sexual and reproductive health services at the municipal general hospital were removed, items earmarked for purchase of family planning supplies were increased, and data on municipal service beneficiaries were broken down by sex. In addition, the analysis covered job segregation and the wage gap between male and female public servants.

Nationally, in 2009 gender budgeting in Paraguay was summarized in "Building Institutional Capacities in Budgeting with a Gender Perspective," a cooperative action between the Ministry of Women, the Ministry of Finance, and the Technical Secretariat for Planning. The initiative was in force until 2013, when technical and financial assistance was received from UNIFEM (now UN Women). The general objective of the program was to contribute to the gradual incorporation of a gender perspective in all stages of the public budget, starting with putting gender-related provisions into the budget law. The next step was to extend this responsibility to teams that prepare the sectoral budgets of each ministry, and the final step, to assess the impact on public policies. The current status is unclear. From the standpoint of UN Women, the government's support has been insufficient.[34]

Peru

Peru's initiative has taken shape. In 1996, the country established a Ministry for Women and Social Development (known as the Ministry for Women and Vulnerable Populations since 2012). The ministry is subdivided into the Vice Ministry for Vulnerable Populations and the Vice Ministry for Women, which works to enable women to exercise their rights to achieve gender equality under the laws; to reduce domestic, sexual, and gender violence; and to apply a gender focus across public policies.[35] In 2008 the ministry, in conjunction with UNIFEM, initiated a gender budgeting initiative. Accordingly, the Ministry provides training for male and female officials, prepares methodologies, and strengthens alliances with the Ministry of Economy and Finance within the framework of implementation of the National Plans for Equality of Opportunity between Women and Men and the National Plan for Gender Equality 2012–17.

With the advent of results-based budgeting, the amendment to the General Law of the National Budgeting System, as well as the Law on the Public Sector Budget of 2011, measures have been taken in gender-oriented analysis in goals and indicators of national and sectoral policy. A gender focus has been incorporated into annual budget programming, monitoring, and assessment, including measurement of indicators.[36]A manual provides the conceptual framework for gender budgeting, concrete examples of guiding questions for the incorporation of the gender perspective in budgeting, and indicators and formats.[37] Despite these efforts, the government has indicated that work on methodological design has still been insufficient.

A series of local initiatives occurred with the support of Andean Region UNIFEM and subsequently UN Women. The first, in Villa El Salvador in 2002, analyzed the budgets and the distribution of municipal resources from a gender perspective. In 2003 actions were set in motion to incorporate gender into the public budget, the Development Plan, and public management. In 2006 public budgets for 2003–05 were analyzed, taking into account legal aspects, the participation of women in decision-making, and the allocation of resources to improve their situation. Finally, in 2007–08 the Flora Tristán Center for Peruvian Women carried out a participative diagnosis with the women's organizations of Villa El

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[34]UN Women's response to IMF questionnaire, unpublished, 2015.

[35]Decreto Legislativo 1098 que aprueba la Ley de organización y funciones del Ministerio de la Mujer y Poblaciones vulnerables. Titulo II Competencias y funciones (2012).

[36]Decreto Legislativo 1098 que aprueba la Ley de organización y funciones del Ministerio de la Mujer y Poblaciones vulnerables. Titulo II Competencias y funciones (2012).

[37]The manual is available in Spanish at http://www.presupuestoygenero.net/Herramientas/H033MimdesPE.pdf.

Salvador that was used as the basis for preparing a Plan for Equal Opportunities, and actions were undertaken by the municipality to promote gender equity. A significant advance was the issuance of a Municipal Order for the creation of the Managing Office for Promotion and Development of Women in the Municipality of Villa El Salvador (UNIFEM 2007d). Another significant initiative involved three of the regional committees in San Martín, Moquegua, and Huanuco. These committees helped to institutionalize a gender focus in regional government administration and prepared a practical guide to incorporate the gender focus in participatory planning (UNIFEM 2007e).

Uruguay

Of all the countries in the region, equality between women and men appears strongest in Uruguay. It was the first regional country to start building a National Care System that takes into account the sharing of care responsibilities between the government, private markets, and households, approved by the National Senate in August 2015 (ECLAC 2015).

The first experience in Uruguay with gender budgeting was under the municipal government of Montevideo in 2003 and focused on the analysis of the municipality's public expenditure. It aimed mainly to find out how the policy decisions of the Plan for Equality of Opportunity and Right, dating to 2002, were being translated in budget terms (Government of Montevideo 2004). Its efforts made progress because of the existence of an equality policy, political will in favor of the availability of information, and international cooperation, in addition to financial resources.

Nationally, the Bicameral Women's Caucus started awareness raising and debate on budgeting with a gender perspective with the support of UNIFEM and the United Nations Development Program in 2006. Between 2011 and 2013 the Uruguayan national machinery for women, INMUJERES, and the Ministry of Social Development promoted an exercise with central administrative agencies to identify opportunities for progress in combining gender policy with the national budget. It also designed a strategy to promote the incorporation of gender focus in the government's strategic planning for 2013. However, little prestige was attached to this project and there was little success.[38]

Venezuela

The Venezuelan gender budgeting initiative began in 2005 through a presidential proposal, with instruction to incorporate a gender focus in the 2006 national budget (Llavaneras 2010). The government undertook diagnostic reviews of planning and budgeting, along with an analysis of the institutional framework and methodologies for the analysis of policies with a gender perspective to produce the "Diagnostic Study and Preliminary Proposal: Implementation of the Gender Perspective in the Budgeting System of the Bolivarian Republic of

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[38]INMUJERES response to IMF questionnaire, unpublished, 2015, pages 5 and 6.

Venezuela." From this, the government instituted reporting on government employment by sex and the integration of considerations of gender equality in government planning. All centralized agencies are required to have at least one policy with a gender focus in their annual plans.[39] Additionally, since 2005 a section on gender has been included in the explanatory statement of the draft budget presented to the National Assembly.

Related Initiatives

Some countries have undertaken fiscal policies to address gender inequality and women's advancement, without actually calling them "gender budgeting." These approaches, discussed next, could well be integrated into gender budgeting initiatives.

Argentina

In the past few years, Argentina has adopted far-reaching policies with gender impacts. However, the country has not undertaken a significant gender-budgeting initiative. In fact, an existing isolated national exercise did not result in practical implications for policy.[40]

This initiative took place in 2012, led by the Ministry of Economy and Public Finance of Argentina, with assistance from UN Women, to measure the impact of macroeconomic policy on the position of women in the past decade. A consultant looked at two issues: developing a system of socioeconomic indicators for monitoring gender gaps and developing a methodology for analyzing public expenditure from a gender perspective.

The analysis quantified the share of national public expenditure devoted to addressing gender equality and identifying expenditures in two broad categories. The first included expenditures aimed directly at achieving gender equality and included exclusive expenditures for women.[41] The second included expenditures with indirect effect on gender equality, such as improving living conditions and human rights and contributing to the expansion of women's rights.[42]

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[39]Although this policy allowed earmarked spending to increase to 6 percent of total ordinary budgeted expenditure, only 43 percent of the projects presented by the centralized agencies as projects with a gender focus were recognized as such.

[40]A pilot experiment in gender budgeting at the local level in Rosario, in Santa Fe province, during 2005–09, consisted of a Participatory Budget and Active Citizenship for Women program. It aimed to include more women in the city's participatory budget process and enabled the incorporation of women's specific requests. For a detailed list of the women's requests incorporated, see http://www.rosario.gov.ar/sitio/verArchivo?id=4514&tipo=objetoMultimedia.

[41]For example, this includes programs and/or activities that have among their objectives to promote gender equality, and aimed particularly at women; explicit expenditure to reduce gender gaps; and nonexplicit expenditure, associated with programs or activities in which, although not clearly stating the goal of eliminating gender gaps, there is evident and tangible direct support to that end.

[42]This category comprised expenditure relating to programs and/or activities to address specific types of inequalities (economic, age-related, ethnic, and disability-related), which systematically

Although the Ministry of Economy and Public Finance, through the Directorate of Analysis of Fiscal Policy and Income, estimated the national social investment in gender equity for 2003–14, the results were not made public and the initiative suffered in part because of a lack of training of the public officials. However, the government indicated that the results of this estimation would be useful in incorporating a gender perspective in public policies and providing the information for the comprehensive system of gender indicators. Thus far no analyses or information are available to confirm the extent these expectations have been met.

The Argentine government has also undertaken initiatives in equality and inclusion, health, education, economic autonomy and work, and violence and access to justice. Among these, those most relevant to budgeting and with potential for impact on the lives of women are described below.

The Universal Child Benefit, implemented at the end of 2009, and the Pregnancy Benefit, added in 2011, were intended to address problems of low-income people. These benefits were specifically aimed at the unemployed or those working in the informal economy and/or in unregistered domestic service, who have minor children, and who must meet their children's health requirements for school attendance. The Universal Child Benefit is paid to the mother, except when the father can demonstrate that he has custody of the child. The benefit is equivalent to the child benefit paid to formal sector employees (currently $60 per child) and is funded by the Administration of Social Security. Both programs have a sizable beneficiary base, as of July 2015, according to the administration. This policy has been perceived to have made a significant difference in supporting the income of low-income women and their households, but has had some ambiguous implications for improving women's autonomy (Rodríguez Enríquez 2010).

The Social Security Inclusion Plan and the 2007 Law on Early Retirement and Social Contribution Moratorium were intended to address poverty among older people. These measures provided access under the social security system to over 2 million women who did not have sufficient contributions registered for a social security benefit, thereby significantly expanding the rate of coverage.

A new social contribution came into force in 2015 that included more than 500,000 new male and female members. This coverage is supplemented by other resources, including the Universal Child Benefit and Pregnancy Benefit mentioned above and the PROGRESAR Program, which provides a stipend to young people for secondary education, of which 60 percent of beneficiaries are women. It also includes the Work and Social Income Program, Argentina Trabaja. In this program, 54 percent are women and, within the same program, Ellas Hacen (Women in Action), with over 100,000 women, provides money for women to organize into cooperatives to provide services (mostly local social services) or to

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sustain and reinforce gender gaps.

manufacture small products (baked goods, and candles, for example). In addition, the National Foundation for Microcredit has more than 60 percent female participants.

Even though these programs are not formally gender budgeting initiatives, the Argentine government has put forward significant policies with clear gender impacts. These, even with their ambiguities, have had positive implications, in particular for the support of income for women historically excluded from social welfare. However, the exclusion of civil society participation, both in production and access to information on the estimation of the investment in gender quality, clouds the transparency of these processes and limits the possibility for civil society to monitor expenditure allocation. The lack of transparency also limits the potential for generating demand for such expenditures to be allocated to specific programs and areas.

Chile

Chile has no recognized experience in gender budgeting. However, it has developed instruments that have gender-differentiated implications and has adopted policies that have benefited women and gender equality.

In 2000, the Council of Ministers for Equality of Opportunity was established, opening a space for discussion among the ministries on gender equality, in which different commitments are made for allocations in the budget.

An initial instance of incorporation of the gender perspective in the national budget was through the fund Fondo Concursable, for allocation of incremental resources of the budget. This fund arises as the difference between the maximum level of approved budgetary expenditure and expenditures considered non-negotiable or "inertial" (those established by law, and those involved with an investment project, which have already begun or relate to contractual obligations of the government, which cannot be held up or suspended). The fund is thus the amount of the budget available for budgetary innovation. To access it, budget proposals must incorporate a gender perspective in the definition of the proposal, components, and indicators for subsequent monitoring. This encourages public institutions to include a gender perspective in the framing of new programs. In addition, some analyses indicate that this is the way to overcome the limited budget allocated to the National Service for Women, as well as the limited scope to influence other public institutions (Marcel 2002).

Elsewhere, a gender perspective was incorporated in the Programs for Improvement of Management. This initiative was also designed to promote a cross-cutting application of a gender focus, and is a fine example of a possible equivalent to gender budgeting. The program, dating to 1998, pays bonuses to civil servants, both male and female, up to 4 percent of salaries, if their institution achieves agreed goals.[43] During its first few years, the program awarded bonuses for achievement of management objectives, generally related to routine activities,

[43] *Programas de Mejoramiento de la Gestión: PMG: Evolución 2011–2014 y Desafíos Futuros* (Programs for Improvement of Management: *Evolution 2011–2014 and Future Challenges*), Directorate

measured by process indicators, without paying attention to the provision of services to citizens or the products that were received by users or beneficiaries. Subsequently, the program has added gender as an area where civil servants can identify improvements in management of public service provision. The responsibility for adding a gender focus to public management lies with the National Service for Women.

Caviedes (2005) indicated that adding gender to the bonus program has been positive in two ways. First, it led to the development of a series of measures that have represented a step forward in gender equality. Among these are the generation and dissemination of information broken down by sex and the production of specific studies with a gender focus.[44] The Programs for Improvement of Management has also led to the review of institutional standards and procedures. An example includes the revision of how authorizations are made for health services to adolescents, at the National Foundation for Health. In addition, it has contributed to changes in government routines. One example involved the participatory processes for studying infrastructure projects in the Directorate of Highways at the Ministry of Public Works, where gender dimensions were incorporated to assess such things as how traffic solutions impact women and men differently. This change has led to positive action such as the allocation of the Family Agriculture Production Allowance (Bono de Producción Agrícola Familiar), and training of officials in Foreign Relations and at the National Institute of Agricultural Development, among others.

Besides these attempts, and beyond specific gender-budgeting initiatives, Chile has enacted public policies that have contributed to improving women's lives and gender equality.

Among these is the experience of implementing early childcare services for the vulnerable population within the program Chile Crece Contigo. The program targets children under 12 living in households in vulnerable social conditions. Among its components, one of the most important is the access to early childcare services, not only for improving children's human capital, but also for contributing to their mothers' work-life balance.[45] These programs have allowed women to enter or stay in the labor market.

Chile Solidario is another example of a fiscal policy. Implemented in 2002, it involves support to the poorest, who are assisted through a package of

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of the Budget, Chile 2014, as well as the information on the PMG presented on the webpage of the Directorate of the Budget at http://www.dipres.gob.cl/594/w3-article-37413.html.

[44]Examples include a study of the impact of a program of provision of electricity in rural areas by the National Commission for Energy, a study on preferred working areas for women in fisheries by the Undersecretariat for Fisheries, and a study on labor norms related to occupational diseases by the Undersecretariat for Social Welfare.

[45]"*Cuatro años creciendo juntos. Memorias de la Instalación del Sistema de Protección Integral a la Infancia Chile Crece Contigo*" (Four Years Growing Together. Memories of the Installation of the Comprehensive Protection System for Children Chile Grows with You" MIDEPLAN-MINSAL (2010).

interventions that combine a moderate cash transfer with health, education, and employment services, as well as social and psychological counseling. The employment component of the program (implemented through the Programa Puente) provides three types of support to foster adult participation in the labor market: (1) job placement assistance programs, mainly job training and wage subsidies; (2) self-employment programs and support for microenterprises, based on a combination of technical assistance and funding for inputs and start-up capital; and (3) employability programs, ranging from adult education to soft-skills training (Scarlato, D'Agostino, and Capparucci 2016).

Overall, the impact of this program to foster adult economic participation has been positive. However, there is a gender bias in that women's labor opportunities have been mostly in self-employment and temporary jobs. The consensus view of analysts is that the program's success has been limited to removing structural barriers to women's participation linked with care responsibilities within the household and child care access (Henriquez and Reca 2005; Scarlato, D'Agostino, and Capparucci 2016).

Gender Budgeting and Taxation

Most gender budgeting efforts in Latin America have focused on public expenditures. However, the taxation side of fiscal policy is also relevant. Taxation in Latin America is low relative to GDP. At the same time, the tax structure is regressive, since indirect taxation (mostly on general consumption) provides, on average, more than 60 percent of total revenue. In a region of very unequal income distribution, it is striking the low relevance of the personal income tax. The average income tax rate for people from the 10th income decile is 5.4 percent, with some countries below 3 percent (such as Ecuador, Honduras, Paraguay, and Venezuela) and only Mexico reaching 10 percent. While the nominal tax rates are high, the effective tax rates are very low, due to problems of evasion, but also because of extensive use of exemptions and deductions.

In this context, little has been done on gender analysis of taxation, with most coming from academia or UN agencies. The most in-depth analysis was part of an international research project, conducted in 2008, that included Argentina and Mexico as Latin American cases (Grown 2010). It included a review of possible gender biases in personal income taxes, as well as an incidence analysis of indirect taxation. In both cases it was clear that there was no explicit gender bias, though there was implicit bias in that many more men than women benefited from personal income tax exemptions and deductions, given that women had an average level of income that was too low to be taxed.

For Argentina, the different tax treatment of income from different sources discriminated against self-employed workers (relative to wage earners), among whom women are overrepresented. In indirect taxation, research on Mexico showed that, even when the value-added tax includes a zero rate for the basic food basket, people from the lowest income quintile are paying the highest average tax rate, measured with relative to income. Analyzed by type of households, it was found that female-earner households face the highest indirect tax rate in each income quintile.

For Argentina, the evidence also showed that the regressive tax system—with a value-added tax having no zero rate, very few items with a reduced rate, and a high rate (21 percent) for almost all goods and services—also imposed a heavier burden on poorer and "female-type" households.

Another study conducted with the support of Fundación Carolina from Spain, analyzed Chile, Ecuador, and Guatemala, focusing on personal income tax, and arrived at similar conclusions (Pazos y Rodríguez 2010). When there are very few explicit biases, the main problem is the extensive use of exemptions and deductions, which benefit people with higher income but not poorer people. In the context of the feminization of poverty, this feature also contributes to gender bias.

Finally, Coello and Fernández (2014), from the Grupo sobre Política Fiscal y Desarrollo (Fiscal Policy and Development Group), with the support of UN Women, studied the Bolivian tax system. They highlighted that Bolivia's tax system relies on a small number of taxes, with a low share of income taxation and, therefore, a heavy burden on consumption taxes as well as natural resource taxes. While explicit gender biases are not significant, implicit biases arise from the regressive features of the system and different treatment given to different income sources. Consumption taxation imposes a heavier burden on poorer people, among whom women are overrepresented (for instance, women are 24 percent more likely than men to have no access to income). This reflects the absence of a reduced rate for basic goods consumption and care services. Similar to in other countries in the region, income taxation treatment is heavier for self-employed workers than for wage earners, which implies a gender bias, because women are overrepresented among the self-employed in Bolivia.

In brief, the evidence suggests that tax reform is urgently needed in Latin America to enlarge public revenue, make taxation more progressive, and eliminate the implicit gender bias of regressive taxation and differential treatment of diverse income sources.

CONCLUSIONS

The gender budgeting initiatives summarized reflect an accumulation of endeavors to achieve gender equality and advance women. Latin American countries offer a wealth of national and local gender budget initiatives. Most of the initiatives presented here are national in scope (which by no means denies or ignores the large and varied local initiatives) and above all relate to issues regarding progress on budget planning and programming. Because of the complexity of budget decision-making, it is difficult to ascertain the evidence on specific policies or programs from gender budgeting endeavors or the reallocation of resources those initiatives entailed.

The chapter finds that women's mechanisms or machineries have catalyzed many government gender budgeting initiatives. Others were promoted by civil society organizations and UN agencies (mostly UN Women). Some of these, in turn, were then incorporated into governmental spheres.

All gender budgeting initiatives shared certain aims. By questioning the gender neutrality of budget policies and programs, the initiatives emphasized the need to attend specifically to the problems of women. By increasing the visibility of inequalities between women and men, the initiatives made such problems part of the public agenda, and were tools to prepare budgets for eliminating gender inequality and advancing women. Many of the initiatives also encompassed analysis and monitoring of resources allocated to addressing gender inequality.

Among the initiatives to develop a budget classification system to take explicit account of gender equality, Ecuador represents the best example, although Guatemala and Honduras are using the same approach. Mexico City and El Salvador have initiatives that focus more on changing the substance of fiscal policies, although there are also important classification elements to their initiatives. The same can be said for local Bolivian efforts. Outside of government, Canada's civil society initiatives have focused on changing the substance of fiscal policies, and the Alternative Federal Budget includes concrete proposals for change.

Initiatives in Costa Rica and Paraguay also aim to change fiscal policies, and the Dominican Republic, Nicaragua, Panama, Peru, and Uruguay would have initiatives focused on policy change. Mexico is a good example of an initiative that, while focused on policy and administration reform, also emphasized parliamentary participation, women's machinery, and civil society. Bolivia's and Brazil's initiatives also emphasized enhancing citizen participation in the budget, in addition to gender-oriented goals.

Implementing effective gender budgeting is a long-term process that depends on several factors, including identifying gender equality and women's advancement objectives. It also includes integrating achievement into standard budgeting and fiscal policies and then having a means to evaluate success and influence subsequent fiscal policymaking.

Accordingly, a fundamental lesson from the experiences is the need to institutionalize these processes so that they survive changes in government. The chapter makes clear a distinct lack of continuity in gender budgeting efforts as government administrations change. Need is also strong to foster and improve assessment of impact on public resource allocation and distribution. Subsequently, how these shifts in resource allocation are translated into policies and gains in equality and other social and economic indicators also need to be assessed.

The chapter focuses on national experiences, only capturing subnational experiences in a few places. The region would benefit from greater coordination of efforts across levels of government. Scope is considerable for more subnational application of gender budgeting, especially in the larger countries of the region.

In all of this, even when it is not easy to identify concrete advances in new programs or policies to reduce gender equalities—and while the identifiable change in budget allocation to gender-oriented goals is modest—these initiatives are important for empowering women and women's organizations. They also are important for training public officials to assess the gender elements of public policies. This is a gain in itself and a baseline from which to achieve further concrete progress in shaping public policies and programs to improve women's lives.

Questions remain that warrant continued study, among them: Is there an optimal level of government at which gender budgeting initiatives can be promoted? Is there a way to increase and improve the use of gender budgeting tools? How should the success (or failure) of gender budgeting initiatives be measured? And, should it be with a single yardstick or different ones depending on the aims and scope?

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ANNEX 5.1.

Gender Budgeting in the Western Hemisphere Data Template

	Bolivia	Ecuador	El Salvador	Mexico
ORIGINS				
Does the government have a gender budgeting initiative?	Yes	Yes	Yes	Yes
If yes, start year	2001	2005	2002	2000
If any, end year				
Supported by international organizations or bilateral aid agencies	Yes	Yes	Yes	No
Tied to MDGs or national development plan or gender equality strategy	Yes	Yes	Yes	Yes
SELECTED COMPONENTS OF FISCAL POLICY				
Focus on spending	Yes	Yes	Yes	Yes
Spending focus on key human development (education, health)	Yes	Yes	Yes	Yes
Spending focus on physical infrastructure (transport, water, electricity, energy)	Yes	Yes	Yes	Not known
Spending focus on justice and security (violence against women, judicial assistance)	Yes	Yes	Yes	Yes
Spending focus on jobs, entrepreneurship, wages, etc.	Yes	Not known	Yes	Yes
Structural reforms in spending (subsidies, transfers, incentive or distributional objectives)	Not known	Yes	Not known	Yes
Focus on revenue	No	No	No	No
Personal income tax focus	No	No	No	No
Other tax focus, including general or selective sales and trade	No	No	No	No
INDICATORS TO PLACE GENDER BUDGETING IN THE FISCAL PROCESS				
Broad statement of goals of minister of finance	Not known	Not known	Not known	Not known
Gender budgeting statement in budget documentation	Not known	Yes	Not known	Yes
Gender budgeting circular or related to instruct the bureaucracy	Not known	Yes	Yes	Yes
Gender budgeting in planning and programming	Yes	Yes	Yes	Yes
Gender budgeting outcome report or audit	Not known	Not known	Not known	Not known
Explicit reporting on gender equality spending	Yes	Yes	Yes	Yes
LEGAL BASIS				
Gender budgeting has constitutional standing	Yes	Not known	No	No
Gender budgeting is incorporated in organic budget or other finance laws	Yes	Yes	Yes	Yes

(Continued)

	Bolivia	Ecuador	El Salvador	Mexico
ROLE OF GOVERNMENT				
Ministry of Finance lead entity	No	Yes	Yes	No
Other ministries play consequential role, and which	Yes	Yes	Yes	Yes; Women´s machinery
Subnational government	Yes	Yes	Yes	Yes
ROLE OF CIVIL SOCIETY				
Significant encouragement or participation of civil society	Yes	Yes	Yes	Yes

CHAPTER 6

Middle East and Central Asia

Lisa Kolovich and Sakina Shibuya

Gender budgeting is struggling to take hold in the Middle East and Central Asia and, despite recent progress in improving conditions for women and girls, gender inequality remains entrenched in most of the region's countries.

The first gender budgeting initiatives in the region date to the early 2000s and differ in their origins, frameworks, and goals.[1] Early on, Afghanistan and Morocco aligned their objectives with the Millennium Development Goals and their own national development plans, thus prioritizing budgetary spending in areas where there was broad agreement on specific targets to improve women's health care and opportunities for education and paid employment.[2] In each country, the ministry of finance played an essential role in guiding the process and ensuring key spending ministries were on board with the initiative. These countries also sought to improve sex-disaggregated data collection to inform fiscal decision-making. Furthermore, they benefited from the support of international organizations such as UN Women (formerly UNIFEM), and nongovernmental organizations, parliamentarians, and academicians.

Yet, assessment of the regional evidence suggests that while Morocco has made progress on key gender equality indicators, it still lags its regional counterparts. And while Afghanistan made more progress on gender equality and women's advancement than its international comparators, it is difficult to isolate the effect of gender budgeting from other initiatives in this postconflict country.

Clearly, the region can improve its use of fiscal policies to address gender inequality and women's advancement. It can learn not only from its own attempts at gender budgeting, but also from the efforts of other regions. The countries in the region need to ensure that both girls and boys have similar opportunities for primary and secondary education and women and men for appropriate health care.

This is particularly true in low-income and developing countries in this region, which, compared to other low-income and developing nations in sub-Saharan

[1]The Middle East and Central Asia encompasses the Middle East and North Africa (MENA) as well as the Caucasus and Central Asian Republics of the former Soviet Union, with a few countries, such as Afghanistan, not fitting easily into either subregion.

[2]Annex 6.1 lists indicators corresponding to each gender-oriented Millennium Development Goal..

Africa, Asia and the Pacific, and the Americas and Caribbean, have lower levels of female secondary school enrollment (Stotsky and others 2016).

Because women's participation in paid employment remains low, despite rising education levels in most Middle Eastern countries, fiscal policies should address whatever hinders women's labor force participation, such as inadequate day care for children, absent elder care, and higher effective tax rates on secondary earners in the household. Targeted subsidies to employers may help overcome the reluctance of employers to employ women and break down social barriers to women in the workplace.

Discriminatory tax and financial laws persist in many of the countries' legal systems, as well as legal barriers constraining women's right to work in nearly every country in the Middle East and North Africa (World Bank 2015a). In addition, domestic violence against women remains a problem in most countries, and their judicial systems cannot address this problem adequately, although Algeria and Morocco are now trying to tackle this issue. Changes in the law are not always adequately enforced to ensure reforms achieve their intended effect.

This chapter reviews gender inequality, women's advancement, and gender budgeting initiatives in the Middle East and Central Asia, including recent changes. It focuses on the two most well-developed initiatives, in Afghanistan and Morocco; assesses whether gender budgeting is contributing to gender equality and women's advancement; and suggests ways countries can address these goals. In doing so, the chapter places gender budgeting in the context of national fiscal policies.

The chapter also looks at gender budgeting in Egypt and gender-oriented initiatives in other countries in the region, some of which are not referred to as gender budgeting by the countries themselves. The chapter assesses the current situation in the region, which is now facing a further challenge in low oil prices and other economic and political instabilities, and how those factors could affect the implementation of budget-based programs for gender equality and women's advancement.

OVERVIEW OF THE MIDDLE EAST AND CENTRAL ASIA REGION

The majority of the 31 countries in the Middle East and Central Asia region are emerging markets, while nine are low-income developing countries, according to the IMF classification of countries.[3]

[3]In the Middle East, the low-income and developing countries are Afghanistan, Djibouti, Mauritania, Somalia, Sudan, and Yemen; in Central Asia, the low-income and developing countries are the Kyrgyz Republic, Tajikistan, and Uzbekistan. Emerging markets in the Middle East are Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, Tunisia, and the United Arab Emirates; Central Asian emerging markets are Armenia, Azerbaijan, Georgia, Kazakhstan, and Turkmenistan. The West Bank and Gaza is not a member state and is therefore not included in the IMF income classification. The regional classification scheme follows that used by the IMF in its Middle Eastern and Central Asian Department.

Political conflicts and civil unrest have afflicted many countries in the Middle East in recent years (IMF 2014; World Bank 2015b). Starting in 2010, political change, driven in large part by social and political tensions, spread across more than 10 countries in the Middle East and North Africa. Unemployment rates are high in the region, particularly for women and youth, and a lack of access to infrastructure leads to further disadvantages for women, particularly those in rural areas (IMF 2014). Many Arab countries (Egypt, Jordan, Libya, Morocco, Tunisia, Yemen) have begun or plan to increase spending on infrastructure, health care, and education, but also need changes in tax policies, civil service requirements, and public financial management (Jewell and others 2016).

The IMF classifies nine countries in the Middle East and North Africa as fragile states: Afghanistan, Iraq, Libya, Somalia, South Sudan, Sudan, Syria, West Bank and Gaza, and Yemen. A country is deemed fragile if it has weak institutional capacity or experienced conflict in the previous three years (IMF 2015a). Fragile states tend to face poorer macroeconomic conditions than nonfragile states, and the evidence suggests that women, in particular, encounter more difficult conditions, including sexual violence, in fragile states (World Health Organization 2015).

Compared to the Middle East and North Africa region, the Caucasus and Central Asia countries have enjoyed strong but volatile growth over the past 15 years, although they can be prone to external shocks. Since 2014 the growth of countries in the Caucasus and Central Asia has been negatively affected by lower commodity prices and spillovers from the slowdown in Russia's growth (IMF 2015b).

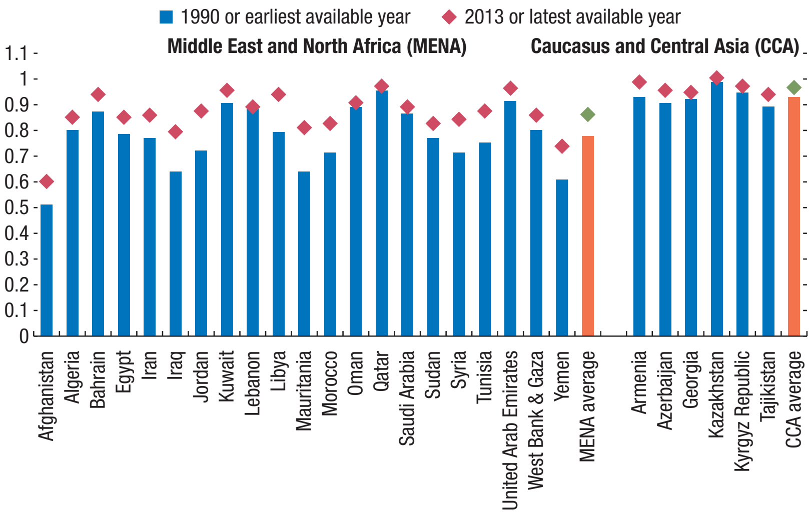
Gender budgeting efforts are motivated by a combination of considerations, including a basic sense of fairness and the view that a greater role for women in economic and public life can contribute significantly to economic growth and stability in the region. Eliminating gender inequalities can lead to better health outcomes for women and children, increased female labor force participation, faster economic growth, and fairer and more stable societies (World Bank 2011).

Figure 6.1 shows the continuing stark gender inequality in the region and the notable progress most of the countries have achieved in recent years. At the aggregate level, gender equality, measured by the Gender Development Index (GDI), is improving for both subregions.[4] While all countries have improved since the early 1990s, a few countries, including Afghanistan, lag.

Table 6.1 shows additional measures of gender inequality. In both subregions, females constitute a large share of secondary school enrollment, on average. However, gross female secondary school enrollment is exceptionally low in some countries in the Middle East and North Africa (Djibouti, Iraq, Mauritania, Somalia, Yemen) and in Afghanistan. On the other hand, gross female secondary

[4]The GDI was initially developed by the United Nations Development Program (UNDP). Stotsky and others (2016) construct the UNDP's current GDI backward consistently in time to 1980, the "time-consistent" calculation. The index captures gender gaps in three critical components of equality: health, knowledge, and living standards.

Figure 6.1. Trends of Gender Development Index (Time consistent)



Source: Stotsky and others (2016).
Note: The time-consistent GDI was not calculated for Djibouti, Somalia, Turkmenistan, and Uzbekistan because they lacked data used in the calculation of the index.
[1]The GDI is an index of gender equality, which generally ranges from 0–1, with higher numbers signifying more equality; please see Stotsky and others (2016) for further details.

school enrollment in some countries is larger than that for males, a growing trend globally.[5]

A sizable gender gap exists in labor force participation in the Middle East and North Africa region and mainly reflects low female labor force participation rates. Studies suggest possible disincentives for women's participation in the workforce including (1) high household incomes that may encourage some married women to remain out of the workforce or leave it, (2) social and religious traditions regarding gender norms, (3) legal prohibitions or limitations, (4) insufficient access to and low quality of education for girls, (5) lack of mobility and opportunity in employment and unequal pay for equal work, and (6) lack of parental leave and childcare (Elborgh-Woytek and others 2013; Goldin 1994; IMF 2013; World Bank 2013).

The last three columns in Table 6.1 highlight one indicator of women's health and two indicators of legal rights. The maternal mortality rate, measured as the number of deaths per 100,000 women, has a considerable range: from 6 in Qatar,

[5]In some of these countries, the female secondary enrollment rate is over 100 percent, suggesting grade repeaters or late or early enrollments. See World Bank Data at https://datahelpdesk.worldbank.org/knowledgebase/articles/114955-how-can-gross-school-enrollment-ratios-be-over-100 for more information.

TABLE 6.1.

Gender and Income Inequality Indicators

Country	GDI (time consistent)[1]	Gini Coefficient[2] (scale 0–100)	Gross Secondary Enrollment (female/ male ratio)	Gross Secondary Enrollment (female)	Labor Force Participation Rate (female/male ratio)	Labor Force Participation Rate (female)	Maternal Mortality Ratio (per 100,000)	Legislation Exists on Domestic Violence	Married Men and Women Have Equal Property Ownership Rights
Afghanistan	0.601	n.a.	0.55	38.3	0.2	16.2	400	No	No
Algeria	0.848	35.3	1.04	99.5	0.21	16.2	89	No	Yes
Bahrain	0.938	n.a.	1.02	96.6	0.46	40.7	22	No	Yes
Djibouti	n.a.[3]	45.1	0.77	40.1	0.55	38.5	230	No	Yes
Egypt, Arab Republic	0.854	30.8	0.98	85.5	0.33	25.8	45	No	Yes
Iran, Islamic Republic	0.861	37.4	0.94	83.4	0.23	17.6	23	No	Yes
Iraq	0.797	29.5	0.75	45.3	0.22	15.6	67	No	Yes
Jordan	0.871	33.7	1.03	89.0	0.24	16.4	50	Yes	Yes
Kuwait	0.956	n.a.	1.01	100.7	0.53	45.1	14	No	Yes
Lebanon	0.893	n.a.	1.01	74.3	0.34	25.9	16	No	Yes
Libya	0.937	n.a.	1.18	113.0	0.4	31.8	15	n.a.	n.a.
Mauritania	0.808	37.5	0.85	24.5	0.37	29.4	320	No	No
Morocco	0.829	40.7	0.86	63.4	0.34	27.1	120	No	Yes
Oman	0.909	n.a.	0.95	95.3	0.36	30.5	11	No	Yes
Qatar	0.967	n.a.	1.10	117.2	0.54	51.8	6	No	Yes
Saudi Arabia	0.890	n.a.	1.01	116.7	0.27	21.3	16	No	Yes
Somalia	n.a.	n.a.	0.46	4.6	0.5	38.8	850	n.a.	n.a.
Sudan	0.823	35.4	n.a.	n.a.	0.43	32.6	360	No	Yes
Syrian Arab Republic	0.839	35.8	1.00	74.6	0.19	14.3	49	No	Yes
Tunisia	0.877	35.8	1.05	93.3	0.36	27.3	46	No	Yes
United Arab Emirates	0.964	n.a.	1.10	87.6	0.51	46.8	8	No	Yes
West Bank and Gaza	0.862	34.5	1.10	86.7	0.23	16.1	47	No	Yes
Yemen, Republic	0.738	35.9	0.65	36.9	0.36	26.4	270	No	Yes
MENA average	**0.860**	**35.9**	**0.93**	**75.7**	**0.35**	**28.3**	**134**		

TABLE 6.1.

Gender and Income Inequality Indicators

Country	GDI (time consistent)[1]	Gini Coefficient[2] (scale 0–100)	Gross Secondary Enrollment (female/male ratio)	Gross Secondary Enrollment (female)	Labor Force Participation Rate (female/male ratio)	Labor Force Participation Rate (female)	Maternal Mortality Ratio (per 100,000)	Legislation Exists on Domestic Violence	Married men and women have equal property ownership rights
Armenia	0.984	31.5	1.21	106.2	0.77	58.4	29	No	Yes
Azerbaijan	0.951	16.6	0.99	99.5	0.93	68.1	26	Yes	Yes
Georgia	0.949	40	0.95	87.2	0.77	60.6	41	Yes	Yes
Kazakhstan	1.001	26.4	0.97	96.1	0.91	75.1	26	Yes	Yes
Kyrgyz Republic	0.973	27.4	1	88	0.72	59.6	75	Yes	Yes
Tajikistan	0.937	30.8	0.9	82.1	0.77	61.7	44	Yes	Yes
Turkmenistan	n.a.	40.8	n.a.	n.a.	0.62	49.7	61	n.a.	n.a.
Uzbekistan	n.a.	35.3	0.98	104	0.65	51	36	No	Yes
CCA average	**0.966**	**31.1**	**1**	**94.7**	**0.77**	**60.5**	**42**		

Sources: Stotsky and others 2016; World Bank, World Development Indicators database; World Bank 2015; and IMF staff estimates.

Note: Values are for 2013 or latest year available. CCA = Caucasus and Central Asian Republics of the former Soviet Union, MENA = Middle East and North Africa. n.a. = not available.

[1]The Gender Development Index (GDI) measures gender equality, which generally ranges from 0–1, with higher numbers signifying more equality; see Stotsky and others 2016 for further details.

[2]A higher Gini coefficient implies more inequality.

which is close to the ratio of 5 in the United States, up to 850 in Somalia. According to the World Bank's Women, Business, and the Law data set, no country in the Middle East and North Africa has adequate legislation on domestic violence against women.[6] Two countries do not guarantee equal property ownership to marital partners.

Countries in the Caucasus and Central Asia region perform better on education and health indicators of gender equality. Almost all these countries enjoy near parity in gross secondary enrollment rates. At approximately 15 percent, the average gender gap in the labor force participation rate (over the 2000–11 period) in the Caucasus and Central Asia is among the smallest in the world (IMF 2013).[7] This subregion also has, on average, a relatively low maternal mortality ratio; the regional average is below that for emerging and developing economies as a whole.

Fiscal Context for Gender Budgeting

Table 6.2 offers a snapshot of the fiscal environment in the Middle East and North Africa and Caucasus and Central Asia regions from 2010 to 2015. While on average budgets were in surplus in both regions during this time, the picture differs between oil and non-oil exporters. Oil-exporting countries in both regions had a budget surplus greater than 5 percent of GDP, while non-oil-exporting countries showed budget deficits. In social spending, oil exporters tended to spend less on education and health compared to their non-oil-exporting counterparts, as a share of GDP.

EFFECTIVE GENDER BUDGETING INITIATIVES IN THE MIDDLE EAST AND CENTRAL ASIA REGION

This section summarizes gender budgeting efforts in Morocco and Afghanistan. It analyzes the relationship between gender budgeting and indicators of gender equality and the advancement of women, comparing each country to its regional counterparts. Annex 6.2 summarizes the origins, fiscal policy components, legal basis, and roles of government and civil society in gender budgeting programs in Afghanistan, Egypt, and Morocco.

Morocco

Origins of gender budgeting

Morocco is notable for having the first and most developed gender budgeting initiative in the region. The country started its initiative in 2002, when the Ministry of Finance and Privatization took the first steps, supported by the World

[6]In 2015, Algeria passed a law criminalizing domestic violence.

[7]Somach and Rubin (2010) point out in their review of five Central Asian countries that after the Soviet era, women left the labor force because childcare at work and paid maternity leave benefits were reduced.

TABLE 6.2.

Fiscal Indicators[1] and Public Expenditure and Financial Accountability (PEFA)

	Average over 2010–15[2] (percent of GDP)							PEFA (latest year available)
Country	**Total revenue**	**Total Tax revenue**	**Total expenditure**	**Education expenditure**	**Health expenditure**	**Overall[3] balance**	**Gross[4] debt**	**PEFA overall score[5]**
Afghanistan	23.1	8.1	23.2	1.7*	1.7	−0	n.a.[6]	2.4
Algeria[7]	37.9	35.7	39.3	4.3*	4.1	−1.3	10	n.a.
Bahrain[7]	24.8	1	28.5	2.7	3.1	−3.7	35.5	n.a.
Djibouti	33.9	19.7	36.7	4.5	5.2	−2.8	45.3	n.a.
Egypt, Arab Republic	23.1	13.9	33.7	3.8*	2	−10.7	79.4	n.a.
Iran, Islamic Republic[7]	17.3	5.6	16.9	3.9	2.7	0.4	13.3	n.a.
Iraq[7]	45.8	1	46.1	n.a.	2.8	−0.3	40.3	n.a.
Jordan	24.6	15.4	32.8	4.9*	5.5	−8.2	76.6	2.6
Kuwait[7]	71.7	0.8	39.8	3.8*	2.2	31.9	8.3	n.a.
Lebanon	21.6	15.8	29.2	2	3.1	−7.6	134.1	n.a.
Libya[7]	60.5	2	55.7	2.7*	2.8	4.9	4.5	n.a.
Mauritania	26.1	15.2	25.9	4.1	1.8	0.2	75.8	2.3
Morocco	27.5	23	33.3	6.4	2.1	−5.8	55.3	3
Oman[7]	47	2.6	41.3	4.2*	2.1	5.8	5.3	n.a.
Qatar[7]	44.1	6	31	2.4*	1.7	13.1	36.6	n.a.
Saudi Arabia[7]	42.2	1.2	34.1	5.1*	2.6	8.1	4.9	n.a.
Sudan	14.5	6.2	15.8	2.2*	1.8	−1.3	82.1	1.7
Syrian Arab Republic	20.8	12.7	28.6	4.9*	1.5	−7.8	30	n.a.
Tunisia	24	20.9	27.6	6.2	4.1	−3.6	43.5	3.2
United Arab Emirates[7]	38.4	23.2	31	1.1*	2.2	7.4	18.2	n.a.
Yemen, Republic[7]	26.3	6.5	31.8	4.6*	1.4	−5.4	45.9	n.a.
MENA average	**33.1**	**11.3**	**32.5**	**4.3**	**2.7**	**0.6**	**42.2**	**2.5**
MENA oil exporters	**41.5**	**7.8**	**35.9**	**3.3**	**2.5**	**5.5**	**20.2**	**n.a.**
MENA non-oil exporters	**23.9**	**15.1**	**28.7**	**4.7**	**2.9**	**−4.8**	**69.1**	**2.5**
Armenia	21.6	17.8	24.3	3.0	1.9	−2.7	36	3.1
Azerbaijan[7]	42.8	12.4	35.1	2.6	1.2	7.7	11.7	n.a.
Georgia	28.2	24.7	30.1	2.3	1.9	−1.9	31.4	3.4
Kazakhstan[7]	26	23.5	21.7	3.1*	2.4	4.2	11.6	n.a.
Kyrgyz Republic	33.4	19.4	38.3	6.3	3.9	−4.9	51	2.1
Tajikistan	25	17	26.4	4	1.8	−1.3	33.3	2.5
Turkmenistan[7]	18.2	8	14.9	3	1.2	3.3	13.3	n.a.
Uzbekistan[7]	38.7	20.3	33.4	n.a.	3	5.4	9	n.a.
CCA average	**29.2**	**17.9**	**28**	**3.5**	**2.2**	**1.2**	**24.7**	**2.8**
CCA oil exporters	**31.4**	**16**	**26.3**	**2.8**	**1.9**	**5.2**	**11.4**	**n.a.**
CCA non-oil exporters	**27.1**	**19.7**	**29.8**	**3.9**	**2.4**	**−2.7**	**37.9**	**2.8**

Sources: IMF, *World Economic Outlook* (WEO); World Bank, World Development Indicators; and IMF staff calculations.

Note: * reflects value of latest year available since data were not available for the 2010–13 period. Afghanistan (1982), Algeria (2008), Egypt (2008), Jordan (1999), Kuwait (2006), Libya (1999), Oman (2009), Qatar (2008), Saudi Arabia (2008), Sudan (2009), Syria (2007), United Arab Emirates (1997), Yemen (2008), and Kazakhstan (2009). CCA = Caucasus and Central Asian Republics of the former Soviet Union, MENA = Middle East and North Africa.

[1]All figures except for health and education expenditure are drawn from the latest WEO and concept of government corresponds to that in the WEO. Please see the WEO for further details. Health and education expenditure are drawn from the World Development Indicators and correspond to the general government concept.

[2]This is the average over the number of years in this period for which data were available.

[3]This corresponds to the concept of total revenue minus total expenditure.

[4]Gross debt does not net out holdings of debt by other entities of the government.

[5]PEFA is a performance monitoring framework used to assess the public financial management systems in developing countries. It is an initiative jointly supported by the World Bank, IMF, European Commission, and other development and government institutions. The framework consists of 28 indicators, with each indicator scored on a scale from A (highest) to D (lowest). PEFA scores reported above are an average of the 28 indicators and convert the four ordinal PEFA scores (A, B, C, D) to numerical scores (4,3,2,1) with "+" score given 0.5 point. A higher PEFA score implies stronger administration of public finance. On a global basis, the lowest score is 1.1 and the highest score is 3.6. See https://www.pefa.org/ for details.

[6]Data are not available.

[7]Italicized countries are oil exporters.

Bank, with preliminary research on the "methodological feasibility of budgetary accounts for gender and childhood in Morocco" (Chafiki and Touimi-Benjelloun 2007).[8] One of Morocco's goals was to improve its performance in meeting the Millennium Development Goals, and early efforts focused on adapting sectoral budgets for the Ministries of Education and Training, Health, and Agriculture and Rural Development to address these goals (UN Women 2007). The initiative also emphasized increasing women's public employment and collecting sex-disaggregated data.

The Ministry of Economy and Finance in 2006 published the inaugural Gender Report, which covered four ministries, each of which identified key areas where gender gaps existed, offered assessments, and set goals for future performance. Successive reports followed a similar outline, and the number of ministries, departments, or agencies included in this report expanded each year, reaching 31 by 2016 and covering 80 percent of the federal budget. The Gender Report was initially designed as an annex to the Economic and Financial Report, but became a standalone document that accompanies the annual Finance Bill presented to parliament.

The Gender Report has become a cornerstone of Morocco's gender budgeting initiative, and it highlights key priorities and targets for the various ministries, along with accomplishments. The report has evolved. The earliest versions, from 2005–07, included gender-based analysis of government policies and programs. The 2008 version examined performance indicators for operating and capital budgets. Subsequent reports added an evaluation of measurable indicators of human rights.

Some ministries report sectoral- and sex-disaggregated data, such as a breakdown of staff by sex or expenditures on women's programs. For example, in the 2008 Gender Report the Ministry of Justice discusses the evolution of increased gender equality in family, penal, and nationality laws. It also notes that while women's representation in the magistrate system has increased, it remains well below the goal of one-third set by the Ministry of Justice. The report highlights the "gender unit" the Ministry of Justice created and offers a brief analysis of gender-sensitive goals in the operating budget. In the 2016 Gender Report, summary tables provide a breakdown of the share of women employed in each department as well as information on the percentage of women in management positions. Descriptions of the existence and organization of the gender unit in each department are also available. The report is "an important accountability and monitoring tool, advancing implementation of gender responsive budgeting from one year to the next" (UN Women 2014a).

[8]Morocco's initiative was also part of UNIFEM's Global Gender Responsive Budgeting Program, which was in effect between 2002 and 2008. During this time, Morocco mainly stressed relationship-building and training for technical staff on topics covering literacy, vocational training, health, and employment, and developed a manual for gender budgeting in 2005 (UN Women 2009).

Motivations, goals, and focuses

Morocco linked its gender budgeting initiative to its national development strategy. The Government Plan for Equality for 2012–16, which followed the 2006 National Strategy for Gender Equality, included 143 measures aimed at improving gender equality in education, health, and labor market opportunities, as well as increasing social, political, and economic empowerment.[9] The plan's key goals mirror several Millennium Development Goals, such as eliminating all discrimination and violence against women and providing equal access to health and education services and decision-making positions. For example, Objective 5 focuses on enacting laws to protect women and combat discrimination. In 2014, the Moroccan parliament voted unanimously to amend Article 475 of the penal code, which previously allowed accused rapists to avoid prosecution by marrying the victim. Objective 9 addresses girls' access to education at all levels, and Morocco has eight ministries involved in achieving this goal.

Morocco continues to work with international organizations to strengthen its gender budgeting efforts. In 2013 UN Women established in Morocco one of three Gender Responsive Budgeting Centers for Excellence—in addition to Russia in 2012 and Mozambique in 2011 (UN Women 2014b). The centers conduct research on gender budgeting initiatives and offer knowledge sharing and training for stakeholders, including government officials, civil servants, and civil society members. The Moroccan Center is based in the Ministry of Economy and Finance.

Legal framework for gender budgeting

Morocco has also taken steps to enshrine gender equality in its legal framework. The 2003 Labor Code mandates equal remuneration for equal work (Sadiqi 2010), and legal provisions ban discrimination in hiring (World Bank 2015a). Women are guaranteed maternity leave, and men three days of paternity leave. Sadiqi (2010) notes that nursing mothers must be provided with a one-hour break each workday. No penalty may be imposed upon mothers returning from maternity leave.

The 2004 Moudawana (family code) included specific provisions designed to improve gender equality and the status of women. The first fundamental reform stated that "women are men's sisters before the law." Other pillars addressed women's rights to divorce, self-guardianship, and child custody, and introduced penalties for sexual harassment; however, polygamy and inequalities in inheritance rules remained legal (Sadiqi 2010). World Bank (2015c) points out that despite these changes, limited implementation and enforcement of laws, combined with weak institutional capacity and social norms, hinder women's advancement.

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[9]Out of the €45 million budget for the plan (about 0.3 percent of the 2011 fiscal year budget for the Ministry of Economy and Finance), about 83 percent was devoted to budget support and 17 percent to technical assistance activities, including education, training, monitoring, and evaluation and audit (Ministry of Economy and Finance of Morocco 2013).

The Nationality Code was reformed in 2007 to permit children to inherit Moroccan citizenship from their mothers. In 2011 a new constitution was approved by a majority of voters. Article 19 guarantees that "[t]he man and the woman enjoy, in equality, the rights and freedoms of civil, political, economic, social, cultural and environmental character" and that "[t]he State works for the realization of parity between men and women." Article 30 ensures both men and women have equal rights to vote, while Article 34 outlines the government's responsibility "to respond to and provide for the vulnerability of certain categories of women and of mothers, of children, and of elderly persons" (Constitute Project 2012). To encourage gender equality, in 2011 the government established a quota of 15 percent for female representation in parliament and 33 percent for female representation in local government.

The Council of Government approved an organic finance law with two key components designed to strengthen gender budgeting in 2014. First, the law requires that gender equality be considered when defining performance objectives, results, and indicators in all line budgets. Second, the law dictates that the Gender Report be included as part of each year's Finance Bill (UN Women 2014c). The latest Government Plan for Equality calls for strengthening this law by increasing transparency, improving fiscal performance, and generalizing evaluation, audit, and accountability procedures (Ministry of Economy and Finance of Morocco 2013). Recognizing the efforts, the international community granted the Ministry of Economy and Finance the United Nations Public Service Award in 2014.

Sex-disaggregated data

Morocco's gender budgeting effort includes data collection. The Ministry of Economy and Finance carried out a survey to collect sex-disaggregated data, focused mostly on education, employment, and health outcomes, to better understand local development needs of women and men (UN Women 2007), and posted the data on MANAR.[10] In 2007, the ministry, in cooperation with UN Women, conducted a comprehensive review of gender-related statistics. The High Commission for Planning administered a time-use survey in 2012 to understand the daily household activities of women, men, and children. The High Commission for Planning publishes statistics, "Moroccan Women in Figures," on National Women's Day.

Assessment, monitoring, and evaluation

Morocco's first efforts at gender budgeting were summarized in a 2005 report from a joint partnership of UNIFEM, the European Union, Association

[10]MANAR-Stat is a database of economic, financial, and social data that continuously enriches the decision-making circuit of the Ministry of the Economy and Finance through reliable and harmonized information. See http://manar.finances.gov.ma/manar/initAccueilInscription for more information.

Démocratique des Femmes du Maroc, and UNICEF. The report covered five separate local gender-budgeting programs in urban and rural Morocco and noted "the existence of a genuine political desire and the willingness of many strategic stakeholders to apply equity in the repartition of local resources."

Despite this political will, the authors pointed out that gender budgeting in Morocco still had a long way to go to reach its objectives. One crucial feature missing from Morocco's gender budgeting efforts was a process for monitoring and evaluation. Other suggested improvements included greater participation from stakeholders, capacity building for women's organizations, and improved transparency during the local budgeting process.

Revenue

As the World Bank's report on Women, Business, and the Law 2016 notes, 16 out of 173 countries have tax systems that directly favor men, and Morocco is one of these countries (El Bouazzaoui and others 2010). Morocco's taxation system holds both explicit and implicit gender biases. The direct bias relates to Article 74, which provides a dependent deduction for men but not for women. That is, a male taxpayer may claim a deduction for his wife and dependent children, but unless a wife is able to prove legally that her husband and children are dependent on her, she may not claim a similar deduction.[11] In addition, as El Bouazzaoui and others (2010) point out, an implicit bias is that there are no deductions for childcare, which might hinder women's ability to fully participate in the workforce.

Implications of gender budgeting initiatives in Morocco through trends analysis of key indicators

To assess the relationship between gender budgeting and indicators of gender equality and the advancement of women, Morocco's performance is compared to its regional counterparts. Additionally, the relationship between gender budgeting and two indices that capture the overall level of gender inequality in a country is examined. In view of Morocco's emphasis in its initiative on raising girls' and women's human capital, we focus on performance in education, health, and labor force participation outcomes (see Box 6.1 for studies looking at these issues).[12]

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[11]This effectively means that although the benefit is not automatic, it is possible when a woman is a legal guardian. At issue is whether it is cumbersome for a household to give legal guardianship to a woman.

[12]While gender budgeting is one tool that can be used to reduce gender inequality, we note that it is certainly not the only option governments have at their disposal. Gaps in education enrollment rates for example, may not be remedied solely through increased spending, particularly in advanced or emerging markets. Increasing female enrollment may require a combination of social, legal, and institutional changes coupled with targeted, efficient government spending. Laframboise and Trumbic (2003) study the impact of social public expenditure on women's economic development in Middle East and North Africa and find a weak correlation between the level of government spending on education (health) and female education (health) indicators, but this relationship

The analysis compares Morocco's performance during 1995–2013 to other non-oil-exporting Middle East and North Africa emerging markets to track its transition since the pre-gender-budgeting period.

As can be seen in Figure 6.2, Morocco lags its counterparts in many of the performance indicators. The ratios of female-to-male gross secondary and gross tertiary enrollment rates increased in both Morocco and the comparison group, yet Morocco remained 12 points behind its counterparts for gross secondary and 30 points for gross tertiary enrollment (Figure 6.2, panel 1). Morocco and its regional counterparts halved their rates of maternal mortality from 1995 to 2013, but overall, Morocco's ratio of maternal mortality remained higher than that of other non-oil-exporting Middle East and North Africa emerging markets (Figure 6.2, panel 2). The female labor force participation rate decreased from 1995 to 2013 in Morocco but increased in the comparison group, so that by 2013, the rates in the two were almost equal (Figure 6.2 panel 3). A similar story of convergence emerges when looking at the ratio of female-to-male labor force participation rates: Morocco's ratio remained virtually unchanged over the two decades, while the average ratio for other non-oil exporters in the region increased.

Using two indices, the GDI and the Gender Inequality Index, to measure overall gender inequality, both the comparison group and Morocco showed improvement, yet overall inequality remained higher under both measures. The ratio of female-to-male net primary enrollment improved, however, and although Morocco was well behind its regional counterparts in 1995, by 2013 it had pulled ahead and achieved near parity between female and male primary school enrollment.

Morocco's 2016 Gender Report, meanwhile, offers data disaggregated by gender and by rural and urban areas on education, employment, and health outcomes (among others). This allows additional insight into progress over a 10-year period, although no cross-country comparison is possible due to lack of similar data for peer countries.

Figure 6.3 shows enrollment rates in primary and secondary school and illiteracy rates. Similar to the results shown in Figure 6.2, panel 1, there is almost complete parity in primary school enrollment rates, regardless of gender or location. In 10 years, Morocco has been able to increase girls' primary enrollment in rural areas by more than 18 percentage points, achieving parity between genders and between regions.

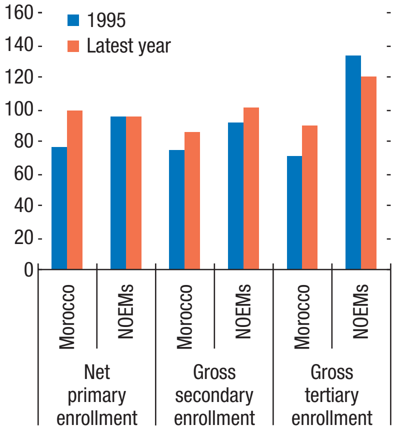
The gaps between urban and rural regions and males and females are more pronounced for the 12–14-year-olds and 15–17-year-olds, although again, enrollment rates have increased over time. Urban 12–14-year-old females have largely closed the gap with urban 12–14-year-old males, but 15–17-year-old urban females remain 10 percentage points behind urban

disappears after controlling for income and maternal literacy rates. They conclude that rather than the level of government spending, it is the efficiency of social expenditure that is key to promoting women's economic advancement in the region (Laframboise and Trumbic 2003).

Figure 6.2. Trends in Gender Inequality in Morocco and Its Regional Counterparts

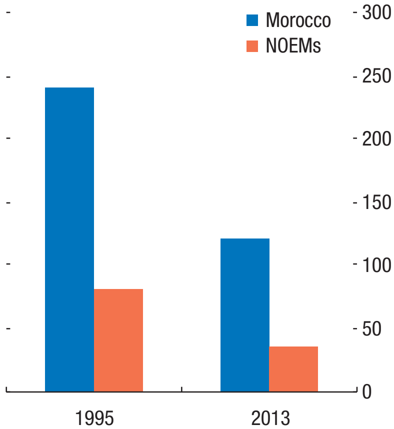
a. Educational Enrollment (Female-to-male ratio)[1]

Morocco remains behind its counterparts in the ratio of gross secondary enrollment and gross tertiary enrollment of girls to boys. It has achieved gender parity in primary enrollment.



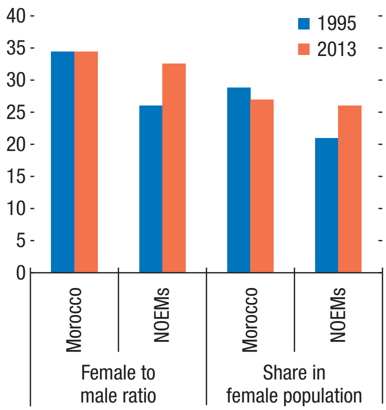
b. Maternal Mortality Ratio (Modeled estimate, per 100,000 live births)

Morocco's rate of maternal mortality remained higher than that of other NOEMs,[2] but it has made substantial progress over 20 years.



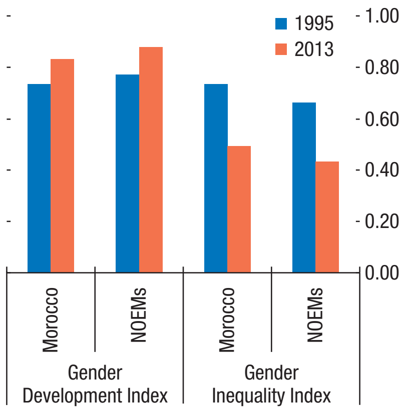
c. Labor Force Participation (Ages 15–64)

The female labor force participation rate declined while the female-to-male ratio remained unchanged.



d. Gender Inequality Indices[3]

The overall level of inequality in Morocco remains higher than in its counterparts.

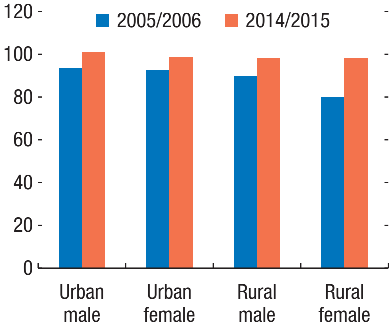


Sources: Stotsky and others (2016); World Bank, World Development Indicators; and IMF staff estimates.
[1]The data for net primary enrollment and gross secondary enrollment are for 2012 and gross tertiary enrollment, 2010. The average for comparator countries for the tertiary level excludes Qatar, an outlier.
[2]NOEMs stands for non-oil-exporting emerging markets in the Middle East and North Africa, which include Algeria, Bahrain, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.
[3]A higher value on the GDI represents more gender equality while a lower value on the GII represents more equality.

Figure 6.3. Trends in Gender Inequality in Morocco and Its Regional Counterparts
(Percent)

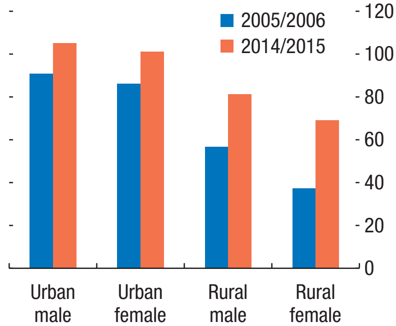
a. Primary School Enrollment

Morocco has nearly achieved parity between gender and region. The enrollment rate for females in rural areas increased by 18 percentage points over 10 years.



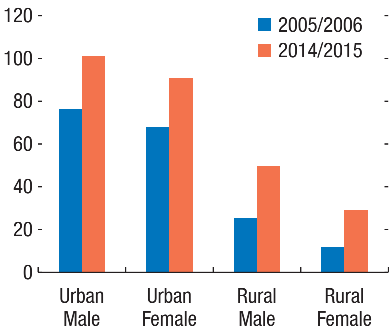
b. School Enrollment among Children 12–14 Years Old

Urban 12–14-year-old females have largely closed the gap with urban 12–14-year-old males, but females in rural areas remain well behind males in rural areas.



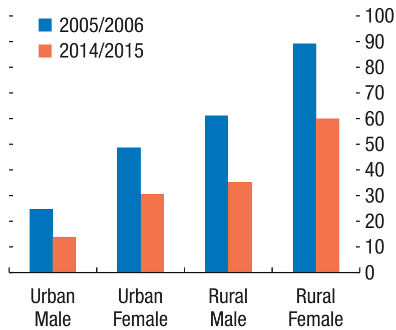
c. School Enrollment among Children 15–17 Years Old

Females between ages 15–17 in urban areas have increased their enrollment rates but remain 10 percentage points behind male counterparts. Rural males and females lag their urban counterparts.



d. Illiteracy Rates

The illiteracy rate for females residing in rural areas has dropped from almost 90 percent to 60 percent, but this rate is still double that of females in urban areas.



Source: Ministry of Economy and Finance of Morocco 2016.

males. When we look at the rural enrollment rates though, we notice some striking differences. Females ages 12–14 in rural areas have an enrollment rate that is 12 percentage points lower than males ages 12–14 in rural areas and more than 32 percentage points lower than females ages 12–14 in urban areas. Enrollment rates for both males and females ages 15–17 in rural areas are below 50 percent, and there is a 20 percentage point gender gap for these two

Box 6.1. Evidence on Gender Inequality and Growth in the Middle East and Central Asia

Studies assessing the relationship between gender inequality and economic growth in the Middle East and Central Asia are summarized below. The findings support the idea that reducing gender inequality and addressing women's needs in education, health, and employment outside the home would increase women's productivity and improve economic growth.

Klasen and Lamanna (2009), investigating the effect of education and employment gaps on growth using a panel data set that includes Middle Eastern countries, find that gender-related education and employment gaps have a negative impact on growth.

Woetzel and others (2015) assess the effect of equalizing the labor supply between men and women on economic output. Closing the gap in the Middle East and North Africa would raise output by 47 percent, and in Eastern Europe and Central Asia by 23 percent by 2025 over a business-as-usual estimate. However, significant upward bias is likely because that analysis focuses only on the supply of labor.

Cuberes and Teignier (2014) develop a theoretical model to examine how gender gaps in entrepreneurship and labor force participation impact aggregate income and productivity. They model gender discrimination in the form of limits on women's opportunities and wages in labor markets. Using country-specific parameters, they find that gender inequality in the labor market can lead to a total income loss of 27 percent in the Middle East and North Africa, where women's labor force participation remains low.

Cavalcanti and Tavares (2016) calculate output losses due to gender discrimination in the labor force. Using the United States as the baseline country, the authors find that if the United States were to have gender wage gaps similar to those in Egypt or Saudi Arabia, US output would be only 42 percent of its current level.

cohorts. But both males and females in rural regions in this age group are well behind their urban counterparts.

Illiteracy rates have shown improvement over the past 10 years; however, a sizeable gender gap remains (almost 17 percentage points) between males and females living in urban areas. However, males living in rural areas lag females. The illiteracy rate for females residing in rural areas has dropped from almost 90 percent to 60 percent, but this rate is still double that of females in urban areas.

The Gender Report also provides data on the share of assisted deliveries by qualified personnel. By 2011, qualified personnel were present at more than half of assisted deliveries in rural areas, a gain of more than 28 percentage points over the rate in 2002, when gender budgeting was initiated. In urban areas, more than 92 percent of assisted deliveries had qualified personnel present, up from 75 percent in 2002.

Afghanistan

Origin of Afghanistan's gender budgeting initiative

Afghanistan has confronted many economic problems in recent years, and Afghan women still face great challenges in achieving equal rights and gender equity. The country's gender budgeting effort started in 2005 with the support of the German Agency for Technical Cooperation (Alvi 2011; Reinhard 2010). One of the government's first steps was to establish the Gender Budgeting Working Group in the Ministry of Finance. Afghanistan's gender budgeting initiative's pilot program, led by the Ministry of Finance and Ministry of Women's Affairs, targeted the Ministries of Education; Public Health; Higher Education; Agriculture, Irrigation, and Livestock; Rural Rehabilitation and Development; and Women's Affairs (Reinhard 2010; Afghanistan Ministry of Finance 2014). Since 2008, government officials in the pilot ministries have received training in gender budgeting from multiple civil society and international organizations, including Counterpart International, Equality for Peace and Development, and the UNDP.

Gender budgeting goals

The 2010 National Budget was the first to incorporate gender budgeting, and it stated that the government was "firmly committed to equitable distribution of the benefits of national development among men and women" (Afghanistan Ministry of Finance 2009, 39). The budget also stipulated that gender-related goals, for both males and females, in the Afghanistan National Development Strategy, were to be achieved through the gender budgeting initiative. Several of these goals were in line with the Millennium Development Goals (Afghanistan Ministry of Women's Affairs 2005).[13]

As part of the gender budgeting initiative, the Afghan government collected data on eight key areas to monitor progress on the Millennium Development Goals: (1) net enrollment in primary education; (2) share of pupils who started grade one and reach the last grade of primary school; (3) literacy rate of women and men ages 15 to 24; (4) ratios of girls to boys in primary, secondary, and tertiary education; (5) share of women in wage employment in the nonagricultural sector; (6) share of seats held by females in the national parliament; (7) maternal mortality ratio; and (8) share of births attended by skilled health personnel. The National Action Plan for the Women of Afghanistan assigned responsibility for collecting data and preparing reports to each relevant ministry and designated the Ministry of Women's Affairs as the central organizer.

[13]Although these goals are now superseded by the Sustainable Development Goals, they remain relevant insofar as they provided targets, and thus evidence on the country's performance so far in achieving gender equality.

On spending goals, the Ministry of Finance, upon the establishment of the gender budgeting unit in 2007, committed to spend $5 million, a minimal portion of the total budget in the 2009 budget year, to meet “the most pressing needs within the area of gender that would otherwise not have been covered by the usual budgetary allowances” (Reinhard 2010, 4).[14] The National Action Plan for the Women of Afghanistan also encouraged all ministries to spend no less than 30 percent of their development and operations budget for policies, programs, and activities for women’s advancement (Afghanistan Ministry of Women’s Affairs 2005).

The gender budgeting initiative also sought to increase the share of female public employees in each pilot ministry. For instance, the 2014 National Budget Statement provided a hiring goal for the female share of employees. Unfortunately, it is unclear how strictly these goals are enforced or whether each pilot ministry and/or the Ministry of Finance tracks them.

Legal basis for gender budgeting and other gender-related laws

Afghanistan’s Public Finance and Expenditure Management law is meant to improve the accountability and effectiveness of its budgeting process; however, gender budgeting does not seem to be defined within this law (Rade, Thiessen, and Huber 2014). The country has other laws to protect women’s rights, including laws on marriage, education, public health, and the elimination of all violence against women (Afghanistan Research and Evaluation Unit 2013). Additionally, the 2004 Constitution guarantees women equal status and mandates a quota of 20 percent for female representation in both the lower and upper houses of the parliament (Afghanistan Research and Evaluation Unit 2013).

Governmental and nongovernmental actors involved

Civil society and international organizations, such as the Deutsche Gesellschaft fur Technische Zusammenarbeit, Equality for Peace and Democracy, UN Women, and UNDP, have worked with the Ministry of Finance to further develop gender budgeting. In addition to receiving training on gender budgeting from such organizations, the Ministry of Finance has held workshops with civil society organizations to promote accountability and transparency in the public sector and to train civil society organizations in budget planning, implementation, and monitoring (Equality for Peace and Democracy 2014).

Reporting on gender budgeting

The 2015 national budget includes monitoring and assessing the impacts of the gender budgeting initiative, but it does not specify how the evaluation is to be disseminated to the public. It is evident that the government recognizes the

[14] The Ministry of Finance’s total operating budget in 2008 was approximately $672 million (Ministry of Finance, http://www.budgetmof.gov.af/images/stories/DGB/BPRD/BPU/1387/1387_National_Budget_ENG.pdf, page 42).

need for collecting sex-disaggregated data, not only to monitor and evaluate programs but also to properly understand gender inequality and reflect it in policies (Afghanistan Ministry of Women's Affairs 2005; Afghanistan Ministry of Finance 2015). Nonetheless, no document clearly indicates how such data collection should be conducted.

Implications of gender budgeting initiatives in Afghanistan through trends analysis of key indicators

Similar to the analysis for Morocco, in Figure 6.4, education, health, labor force participation, and gender inequality index outcomes in Afghanistan are examined compared to regional counterparts. One of the goals of the Afghanistan National Development Strategy was to increase the net primary enrollment rates to at least 60 percent for boys and 75 percent for girls. Ratios of female-to-male gross primary and gross secondary enrollment increased in recent years. But as can be seen in Figure 6.4, panel 1, the country has not caught up to other non-oil-exporting, low-income developing countries in the region.

Afghanistan set health goals in its gender budgeting initiative, such as providing basic health services to at least 90 percent of the population. While we do not have data to measure this objective directly, we can look at the maternal mortality ratio as a measure of improvements in health care. The maternal mortality ratio remains much higher than in other non-oil-exporting, low-income developing countries in the region, but Afghanistan did record a sizable decrease in maternal mortality from 2000 to 2013 (Figure 6.4, panel 2).

Afghanistan planned to train a sizable number of men and women in marketable skills, and increase the employment rate for chronically poor female-headed households by 20 percent. Figure 6.4, panel 3 shows a slight improvement in both the female and the ratio of female-to-male labor force participation from 1995 to 2013. For the other low-income and developing countries in the Middle East and North Africa as a whole, female and the ratio of female-to-male labor force participation from 1995 to 2013 increased, but in 2013, Afghanistan remained behind its counterparts.

Finally, Figure 6.4, panel 4 considers two overall indicators of gender inequality, the GDI and the Gender Inequality Index. Afghanistan has made progress in reducing gender inequality according to both measures. However, when put side-by-side with the averages for low-income and developing countries in the Middle East and North Africa, we see that the country remains behind, possibly limited by conflict in the country.

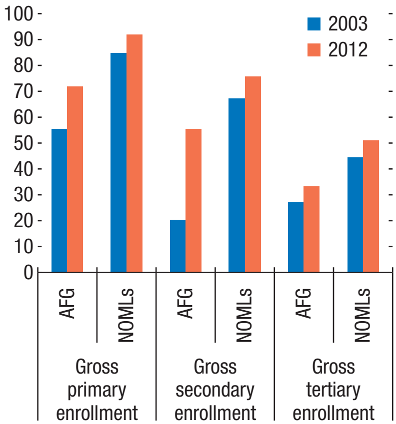
OTHER GENDER-RELATED INITIATIVES IN THE MIDDLE EAST AND CENTRAL ASIA

This section discusses other gender budgeting or fiscal policy initiatives in the region, designed to address gender inequality and women's advancement.

Figure 6.4. Trends in Gender Inequality in Afghanistan and Its Regional Counterparts

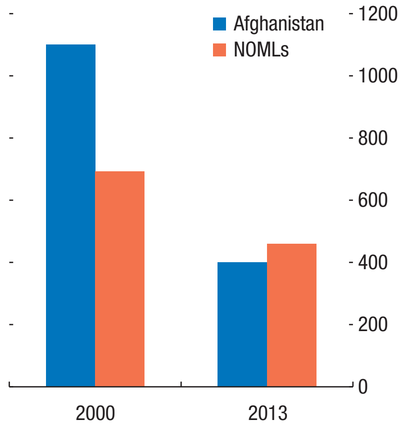
a. Educational Enrollment (Female-to-male ratio)[1]

Afghanistan has not caught up to its counterparts, but has made progress in all three indicators.[2]



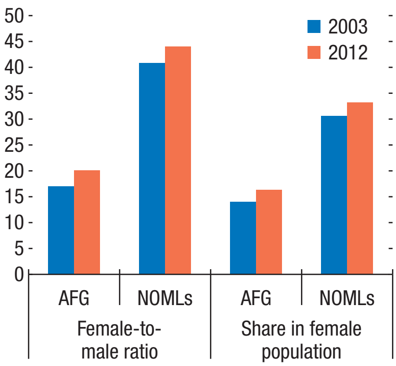
b. Maternal Mortality Ratio (Modeled estimate, per 100,000 live births)

Afghanistan recorded a sizable decrease in maternal mortality from 2000 to 2013.



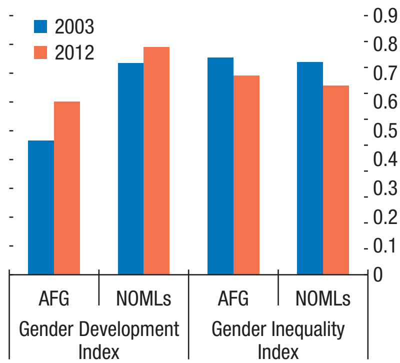
c. Labor Force Participation (ages 15–64)

Afghanistan remains well behind its regional counterparts in the ratio of female-to-male labor force participation.



d. Gender Inequality Indices

Afghanistan has closed some of the gap with its counterparts as measured by the GDI.



Sources: World Bank, World Development Indicators; Stotsky et al. (2016); and IMF staff estimates.
[1]Gross secondary enrollment (2004) and gross tertiary enrollment (2011). AFG stands for Afghanistan.
[2]NOMLs stands for non-oil-exporting low-income developing countries in Middle East and North Africa, which are Djibouti, Mauritania, Somalia, and Sudan.

Egypt

Origin of Egypt's gender budgeting initiative

In 2005 the Egyptian government enacted Law 87, which states that the budgeting process should transition from line-item budgeting to performance-based budgeting (Khatab and Al-Shiekh 2010). Also in 2005, the National Council for Women, in cooperation with the Ministry of Finance, established the Equal Opportunity Unit within the Ministry of Finance. The unit links the National Council for Women and the Ministry of Finance and is tasked with promoting gender equality and monitoring its progress in the workplace as well as eliminating discrimination against women.

The Equal Opportunity Unit, with technical and financial assistance from UNIFEM (now UN Women) and the Embassy of the Netherlands, launched a pilot project to promote equal opportunities for women in the national budget process. The program had two focuses: develop a gender-responsive budget program and train government personnel to help them understand gender relations and perspectives (OECD 2010).

The 2008/09 fiscal year marked the beginning of the institutionalization of gender budgeting, as the draft budget circular stated that budgets should reflect the needs of all members of the Egyptian family—men, women, and children—to ensure social equality. In 2009/10 fiscal year, the budget circular instructed ministries and other government bodies to prepare performance-based budgets and to provide sex-disaggregated budget data analyses (Al-Bana 2010). Furthermore, the 2009/2010 budget law added protection for gender-specific expenditures, as Article 11 of the law requires all entities in the national budget commit to any expenditure relating to social justice or safeguarding children's rights in a way that promotes the application of gender-responsive budgets. It also prohibited transferring funds allocated to gender-related items to other budget items without official permission from the Minister of Finance (Egypt Ministry of Finance 2009). Gender budgeting continued through the 2010/11 fiscal year, when Egypt implemented its first gender responsive performance-based budget (OECD 2010). However, since that time, the status of Egypt's gender budgeting initiative is unclear.

Motivations, goals, and focus

The initiative's main objective was to promote social justice through equal distribution of public expenditures (OECD 2010). The program selected target sectors in education, health, labor, social security, youth and social development, housing, food, and infrastructure, and chose 15 governorates to implement a gender budgeting pilot project (OECD 2010). The initiative was also placed within the five-year national plan and the Millennium Development Goals context; therefore, it was expected to contribute to achieving the gender-related national development goals (Budgetary and Human Rights Observatory 2009).

Some ministries had additional quantitative goals. For instance, the Ministry of Youth was assigned an overall goal to allocate 40 percent of its entire budget toward making the operation of its youth programs more women-friendly. This effort included the following goals: (1) increase female participation in social programs and volunteers for female youth-related programs, (2) increase female beneficiaries of youth programs, (3) eradicate illiteracy and enhance general education programs, (4) train and improve marketable skills, and (5) support women working at youth centers with on-site day care (Budgetary and Human Rights Observatory 2009).

Gender-related data collection and reporting on gender budgeting

Egypt's gender budgeting initiative recognized the importance of determining expenditure allocations by sex and age. To conduct this analysis, the Ministry of Finance, working with the Central Agency for Public Mobilization and Statistics, developed gender indicators, collected sex-disaggregated data on beneficiaries of public services within five governorates, and published the data in the Ministry's 2008/2009 statistical statement (OECD 2010). The data portal offers some gender indicators, with a limited selection of more detailed sex-disaggregated data presented in the Central Agency for Public Mobilization and Statistics' statistical yearbook. For example, the 2015 statistical yearbook shows sex-disaggregated data such as public spending for micro-lending and the female and male shares of managerial positions by rank (Central Agency for Public Mobilization and Statistics 2015). Auditing was to be another important component of the initiative; gender-based situational analysis was to be updated every two years, and budget analysis was to be conducted every fiscal year. However, these analyses were only done between 2002 and 2007, and the results of the analyses do not appear to be publicly available.

Legal basis for gender budgeting and other gender-related laws

Gender budgeting is not codified or defined in the budget law. In other gender-related laws, Article 40 of the Constitution guarantees equal rights to all citizens and prohibits discrimination based on gender, origin, language, and belief (Somach and Rubin 2010).

Role of the Egyptian government

The Ministry of Finance had taken a leadership role in implementing gender budgeting in Egypt through the Equal Opportunity Unit. Other ministries involved included the Ministries of Economic Development, Health, Education, Social Security and Social Welfare, Labor, and Family and Housing (Al-Bana 2010). The initiative also involved other government bodies such as the Central Statistics Agency, the National Council for Women, the Social Development Fund, the Youth High Council, and the Sports High Council (Al-Bana 2010).

Armenia

The Economic Development and Research Center, a domestic nongovernmental organization, had a gender budgeting initiative supported by UNIFEM in 2009 that lasted for only a year (Harutyunyan 2011; EDRC 2010). This short-term initiative focused mostly on capacity building within the government and civil society. Among the main results, the project gained endorsement of the project from the Armenian government, setting a basis for monitoring and evaluating, and publishing *Gender Responsive Budgeting and Gender State in Armenia* (Harutyunyan 2011). The report analyzes the current state of gender issues in the country in detail and explains gender budgeting in the Armenian context. It is interesting that the report provides a scoring system for how gender-sensitive government ministries are; this is a unique way to evaluate and keep track of the progress of each ministry. The scoring system rates expenditures as gender blind or not possible to determine gender orientation (0), direct or indirect gender orientation (1), and strong gender orientation (2). Programs rated "2" amounted to 1.4 percent of the total budget expenditure, and most were health-focused. The report notes that "[t]here is a lack of gender sensitive indicators and provided information is insufficient to get [a] real evaluation of [the] situation." It is not clear if this initiative has been extended and continued.

Bahrain

The official introduction of gender budgeting happened sometime around 2010: an account shows, for example, that 25 million Bahraini dinars were designated in the national budget for the national recruitment and training program for 103 males and 231 females (Government of Bahrain 2004). The Ministry of Finance introduced gender budgeting in its budget circular for fiscal years 2011 and 2012, which encouraged ministries and agencies to conduct gender analysis of expenditure (Esim 2011).

Jordan

Jordan's gender budgeting effort began in 2010 with assistance from UN Women and the Jordanian National Commission for Women (United States Agency for International Development 2014). A pilot project targeted seven ministries, with the objectives including categorizing expenditure on female-specific programs, determining the appropriateness of the categorization, and identifying ways to institutionalize gender budgeting. In 2010 the General Budget Department called on all ministries to document the number of female employees by rank. This pilot ended in late 2010.

Between 2010 and 2014, little progress was made on gender budgeting (United States Agency for International Development 2014). However, in 2015, the Jordanian National Commission for Women published the National Network Action Plan to Support Gender Responsive Budget (Jordanian National

Commission for Women 2015). The National Network consists of ministries (including the Ministry of Finance), the House of Representatives and the Senate, the Jordanian National Commission for Women, civil society and private organizations, and international organizations, and promotes knowledge sharing as a means to reduce gender inequality. The United States Agency for International Development (2014) notes that the network did not have funding to carry out this plan; furthermore, most ministries had not received training.

Kazakhstan

The National Commission for Family Affairs and Gender Policy and UNIFEM started a gender budgeting project with the agreement from the Ministry of the Economy and Budget Planning of Kazakhstan sometime before 2008 (Sartbayeva 2008). Gender budgeting in Kazakhstan was also designated an official Millennium Development Goal "to ensure sustainable gender mainstreaming of national planning and budgeting, especially aiming at minimizing the gender wage gap" (UNDP 2010). The Ust-Kamenogrosk Women's Federation Status advocates for gender budgeting at the local level (Unzhakova and Shakirova 2006).[15]

West Bank and Gaza

The Palestinian Authority has established a permanent legislative committee on gender equality, adopted a quota for female parliamentary representation, and developed the Cross-Sectorial National Gender Strategy to encourage gender diversity and reduce discrimination (OECD 2014). UN Women in the West Bank and Gaza has worked with the Ministry of Women's Affairs to expand capacity development on gender budgeting (UN Women n.d.). In June 2014 a gender analysis of the budget concluded that Palestinian expenditure policy was gender-blind (Palestinian Initiative for the Promotion of Global Dialogue and Democracy 2014, 2010). Additionally, it is reported that the Palestinian Initiative for the Promotion of Global Dialogue and Democracy, a domestic civil society organization, implemented gender-responsive budgets in local councils from 2007 to 2010, with support from the Heinrich Boell Foundation and the Deutsche Gesellschaft für Internationale Zusammenarbeit, in which the organization trained local politicians (Palestinian Initiative for the Promotion of Global Dialogue and Democracy 2010).

Other gender initiatives in the region

Algeria, Azerbaijan, Georgia, Lebanon, Tajikistan, and Uzbekistan have had training and workshops, which indicates their interest in gender budgeting.

[15]Ashikbayev, Yerzhan. 2014. "Kazakhstan Implements Millennium Development Goals." *Astana Times*, December 26. http://astanatimes.com/2014/12/kazakhstan-implements-millennium-development-goals/.

Lebanon, Tunisia, Yemen, and the United Arab Emirates have adopted national gender equality strategies, and Lebanon, Kuwait, and Yemen have devoted parliamentary committees to promoting gender equality (OECD 2014). In addition, Iraq, the Palestinian Authority, and Tunisia have adopted quotas to increase female representation in parliaments.

GENDER BUDGETING IN THE CURRENT MACROECONOMIC SITUATION

The Middle East and North Africa region continues to contend with social unrest, political change, and inequality on many fronts. And oil-exporting nations across the Middle East and Central Asia face lower revenues and higher budget deficits, owing to the fall in oil prices in recent years. Countries in conflict and their neighbors must cope with the multifaceted impact of refugees and internally displaced citizens. A few rely heavily on aid to finance expenditures. Efforts to implement and improve gender budgeting in the region must be cognizant of the difficult economic challenges prevalent throughout this region. This chapter aims to offer insights that can improve gender budgeting efforts by focusing on three areas—education, health, and labor force participation.

Gender budgeting efforts have sought to improve women's access to education and health outcomes and, here, governments need to strengthen the coherence of budgets to ensure that equality of females and males is achieved. A range of discriminatory tax and financial laws continues in many countries, along with legal barriers restricting women's ability to work. In addition, violence against women remains a key problem in the region, and the laws and systems of justice are inadequate, even though some countries, like Algeria and Morocco, are now addressing this set of issues. Addressing legal restrictions on women's rights will enable women to strengthen their voices in the budget process. However, legal changes must be accompanied by adequate enforcement to ensure these reforms achieve their intended effects.

Morocco and Afghanistan both tried to increase female labor force participation through gender budgeting, yet Morocco saw little change in either the female labor force participation rate or the ratio of the female-to-male labor force participation rates, while Afghanistan achieved only slight gains. In view of the continued low rate of women's participation in the labor force despite rising education levels in the region, fiscal policies could target hindrances to women's labor force participation, including better provision of day care for children and support services to reduce women's unpaid time burdens in the home. Targeted subsidies to employers may help overcome their reluctance to employ women and help to break down social barriers to women in the workplace.

The existing gender budgeting initiatives of the region did not include changes to tax policies or the structures of tax systems. However, tax policy could have an important role in complementing fiscal policies coming from the spending side (see Box 6.2 for a discussion of tax policy and gender inequality in oil-exporting countries). The first goal should be to ensure that any legal discrimination against women, including through discriminatory deductions or exemptions, is removed from income tax laws. For Morocco specifically, the bias against women in claiming a dependent deduction is clear. Designers of income tax systems should be mindful of how progressive rate schedules can lead to higher effective tax rates on secondary earners, which tend to discourage married women from working. In addition, the countries should ensure that indirect taxation, chiefly the value-added tax, is not overly regressive and does not fall more heavily on female-headed households. A judicious restructuring of the value-added tax to incorporate a limited number of exemptions or zero ratings or reduced rates to benefit these households, consonant with other tax policy goals, should be considered in any subsequent tax reform efforts.

The Afghan gender budgeting effort encouraged all ministries to allocate no less than 30 percent of their development and operations budget to gender-related agendas. However, we note some concerns about the structure of the program. While it may be valuable to encourage all ministries to earmark funds for women's advancement and gender inequality reduction, it is unclear if setting the same baseline for all ministries with different needs is appropriate, and this is likely to have been one weakness of the Afghan effort.

Finally, we offer additional recommendations for future gender budgeting initiatives in the region. New efforts would benefit from introducing gender-related considerations into the regular budgetary process; for example, countries might implement legal requirements for a form of gender budgeting and ensure that spending ministries (and subnational levels of government) address gender-related issues through budgets by formalizing budget statements and call circulars to include gender-oriented themes. Some form of monitoring of outcomes is also necessary to ensure that ministries comply with the intentions of government. Future initiatives should seek to increase the role of civil society and parliaments, as much of the current effort seems to be centered on the ministry levels. Strengthening sex-disaggregated data collection can help to improve the quality of analytical assessments, supporting good fiscal policies.

CONCLUSIONS

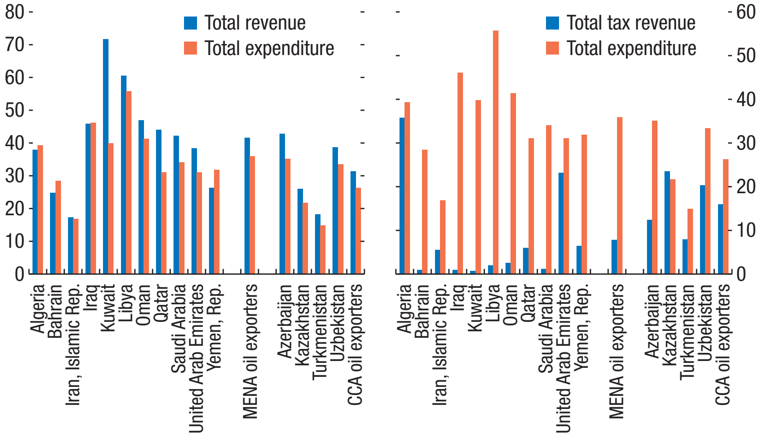
Gender budgeting in the Middle East and Central Asia has addressed a number of goals, including improving women's access to education, health, and labor force opportunities. But the survey in this chapter finds that only two countries have made significant, sustained effort—Afghanistan and Morocco—with less meaningful results from initiatives in Armenia, Bahrain, Egypt, Jordan, Kazakhstan, and the West Bank and Gaza.

Morocco's initiative was the most institutionally developed and long-standing, and the country has improved gender parity, particularly in urban areas, although

Box 6.2. Gender Inequality and Revenues in Oil-Exporting Countries

Tax revenues in oil-exporting countries warrant additional consideration. Figure 6.2.1 illustrates the dependence of these countries on oil revenues. Total revenue exceeded total expenditure, during 2010–13 on average because of oil revenues. However, oil prices have declined sharply over the past few years, and these countries are now confronting a worsened fiscal balance and the need to reduce spending. For the six countries in the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates), the IMF estimated a fiscal deficit of 13 percent of GDP in 2015 (IMF 2015c).

Figure 6.2.1. Total Revenues, Expenditures, and Tax Revenues in Oil-Exporting Countries
(Average over 2010–13)



Sources: IMF, *World Economic Outlook*; and IMF staff calculations.

Should these countries consider adopting gender budgeting, they face highly circumscribed spending compared to the past, as they continue to adjust to lower oil prices. It is thus important that these countries ensure spending programs are well-designed and that spending targets key programs to address gender equality. At the same time, governments should seek to create incentives for the private sector to reinforce government measures. One recent development is that Saudi Arabia and the United Arab Emirates introduced a 5 percent value-added tax starting in January 2018 to strengthen revenues. This tax will exempt certain food items, health care, and education, which helps reduce regressivity of the tax.

it is unclear if the success can be attributed to the gender budgeting effort. Afghanistan's initiative was associated with the significant progress of Afghan women in certain critical areas. But like Morocco, it is unclear whether gender budgeting was the causal factor. Egypt's initiative was interrupted by the significant economic and political change of recent years.

Clearly, Middle Eastern and Central Asian countries have scope to reduce legal barriers and make more effective use of fiscal policies to address gender inequality and women's development. Gender budgeting efforts have aimed to improve women's education and health outcomes, but explicit and implicit discrimination against women is still a fact of life in the region, as evidenced by discriminatory tax and financial laws and other legal barriers. Despite recent efforts to remove de jure legal restrictions, the lack of enforcement means that many discriminatory laws remain in place.

To increase low female labor force participation, fiscal policies could support services to reduce the burden on women of unpaid tasks in the home and improve access to and the affordability of childcare and elder care. Targeted employer subsidies could be used to overcome social barriers and encourage employers to hire more women. And tax policies should address disincentives for married women to participate in paid work.

It is not enough for countries simply to aspire to improve women's economic potential. National budgets must reflect these aspirations through well-targeted interventions, including increasing allocations to key areas of women's underdevelopment, restructuring incentives, and redistributing income through well-designed fiscal policies. Significant potential exists for fiscal policies to contribute to economic growth by encouraging a more active role for women in all areas of life.

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ANNEX 6.1. INDICATORS OF THE GENDER-ORIENTED MILLENNIUM DEVELOPMENT GOALS

ANNEX 6.1.

Indicators of the Gender-Oriented Millennium Development Goals

Goals and Targets		Indicators
	Goal 2. Achieve universal primary education	
Target 3	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	3.1 Net enrollment ratio in primary education 3.2 Share of pupils starting grade 1 who reach grade 5 3.3 Literacy rate of 15–24-year-olds
	Goal 3. Promote gender equality and empower women	
Target 4	Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015	4.1 Ratio of girls to boys in primary, secondary and tertiary education 4.2 Ratio of literate females to males of 15-to-24-year-olds 4.3 Share of women in wage employment in the non-agricultural sector 4.4 Share of seats held by women in national parliament
	Goal 5. Improve maternal health	
Target 5.A.	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	5.1 Maternal mortality ratio 5.2 Share of births attended by skilled health personnel
Target 5.B.	Achieve, by 2015, universal access to reproductive health	5.3 Contraceptive prevalence rate 5.4 Adolescent birth rate 5.5 Antenatal care coverage (at least one visit and at least four visits) 5.6 Unmet need for family planning

Source: United Nations 2008.

ANNEX 6.2. GENDER BUDGETING IN THE MIDDLE EAST AND CENTRAL ASIA DATA TEMPLATE

ANNEX 6.2.

Gender Budgeting in the Middle East and Central Asia Data Template

	Afghanistan	Morocco	Egypt
ORIGINS			
Does the government have a gender budgeting initiative	Yes	Yes	Yes
If yes, start year	2005	2002	2005
If any, end year			2011
Supported by international organizations or bilateral aid agencies	Yes	Yes	Yes
Tied to MDG Goals or national development plan or gender equality strategy	Yes	Yes	Yes
SELECTED COMPONENTS OF FISCAL POLICY			
Focus on spending	Yes	Yes	Yes
Spending focus on key human development (education, health)	Yes	Yes	Yes
Spending focus on physical infrastructure (transport, water, electricity, energy)	No	Yes	No
Spending focus on justice and security (violence against women, judicial assistance)	No	Yes	No
Spending focus on jobs, entrepreneurship, wages, etc.	Yes	Yes	Yes
Structural reforms in spending (subsidies, transfers, incentive or distributional objectives)	No	No	No
Focus on revenue	No	No	No
Personal income tax focus	No	No	No
Other tax focus, including general or selective sales and trade	No	No	No
INDICATORS TO PLACE GENDER BUDGETING IN THE FISCAL PROCESS			
Broad statement of goals of minister of finance	Yes	Yes	Yes
Gender budgeting statement in budget documentation	Yes	No	Yes
Gender budgeting circular or related to instruct the bureaucracy	Yes	No	Yes
Gender budgeting in planning and programming	Yes	Yes	Yes
Gender budgeting outcome report or audit	No	No	Yes
Explicit reporting on gender equality spending	No	Yes	Yes
LEGAL BASIS			
Gender budgeting has constitutional standing	No	No	No
Gender budgeting is incorporated in organic budget or other finance laws	No	Yes	No
ROLE OF GOVERNMENT			
Ministry of Finance lead entity or just involved	Yes	Yes	Yes
Other ministries play consequential role, and which	Yes	Yes	Yes
Subnational government	No	No	Yes
ROLE OF CIVIL SOCIETY			
Significant encouragement or participation of civil society	Yes	No	No

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CHAPTER 7

Caribbean and Pacific Islands

TAMOYA A. L. CHRISTIE AND DHANARAJ THAKUR

Gender inequality in the public and private spheres remains significant in the Caribbean and Pacific regions, despite efforts in several countries to experiment with integrating gender equality goals into national policies, programs, and budgets.

Under these gender mainstreaming initiatives—which can be an important tool for achieving inclusive development—governments set out to incorporate considerations of gender into policymaking, rather than having separate policies or programs focused on problems of gender inequality (Budlender and Hewitt 2003). Gender budgeting was advocated as an effective approach to gender mainstreaming in fiscal policies and programs.

This chapter examines gender budgeting initiatives in the Caribbean and the Pacific islands, two regions consisting mainly of small island developing states with varied social and political characteristics, yet shared economic features and environmental challenges. The chapter examines the goals, components, implementation challenges, and results of the gender budgeting initiatives in 24 countries, including 13 Caribbean and 11 Pacific island countries.

Findings suggest that many of the gender budgeting initiatives were not carried beyond the pilot implementation period or, in some countries, gender budgeting activity did not go significantly beyond awareness training. In fact, only Timor-Leste had a significant ongoing gender budgeting initiative among the 24 countries. Renewed emphasis on gender budgeting appears to be emerging, nonetheless, with evidence of several new initiatives due to come on stream in both the Caribbean and the Pacific islands.

The analysis identified the impact of gender budgeting, including its successes, and identified key lessons that can support greater adoption of gender budgeting practices in the two regions:

- *Institutions*: Early institutionalization of gender budgeting was important to the sustainability of the process in Timor-Leste. A Parliamentary Resolution provided gender budgeting an early legal basis. Gender statements accompanying the state budget documents, and later, the budget circulars from the Ministry of Finance, added to this legitimacy.
- *Capacity building*: Capacity building and training for government and civil society are important. This was integral in gender budgeting initiatives in

Timor-Leste, the Marshall Islands, and Samoa. It also raises awareness of the need for gender budgeting in the first place.

- *High-level political support*: Support from key decision-makers and political leaders is, likewise, important, as Timor-Leste shows. This goes beyond finding support from those who typically benefit from capacity building and awareness workshops, such as mid-level staff in government. In Timor-Leste, for example, the prime minister and parliamentarians supported efforts, passing various resolutions. In the Caribbean, Solomon Islands, and Vanuatu, governments did not see high-level support as a priority and there was no significant gender budgeting effort.
- *Alignment with national goals and civil society involvement*: The gender budgeting initiative should be consonant with the country's broader national development goals. This makes the initiative more applicable to a wide range of sectors. Examples include the application to teenage pregnancy in the Marshall Islands and to social sector reform in the Eastern Caribbean countries. For example, an interministerial group can effectively guide and coordinate activities. In the Marshall Islands, Samoa, and Timor-Leste, such a group enabled greater awareness of the shared challenges and concerns different sectors had in addressing gender inequality. And including civil society participants can strengthen such a group, as in the Marshall Islands, improving the range of inputs and ideas available to the committee as well as its legitimacy. Groups with civil society participation can also ensure more local leadership in gender budgeting initiatives, which are often funded by external organizations.
- *Getting started*: One concern is how best to introduce gender budgeting into the planning process and then ultimately into budget implementation. By using gender budgeting to assess various program outcomes, as was done in Timor-Leste, governments can understand the efficacy of other gender equality programs, while also illustrating the utility of gender budgeting. Where no ongoing gender budgeting initiative exists, of course, it can be introduced.
- *Use of regional organizations*: Finally, exploiting existing regional policymaking machinery to support efforts at greater incorporation of gender budgeting may well present advantages. A prominent feature of policymaking and politics in the Caribbean and the Pacific is that leadership comes from regional organizations, and so small, individual countries can better pool resources to address complex problems. The Secretariat of the Pacific Community and the Pacific Islands Forum, for example, perform such functions, with similar organizations in the Caribbean including the Caribbean Community and the Organization of Eastern Caribbean States (OECS). One possibility is that these organizations could adopt their own gender budgeting initiatives to set an example for member countries. At least initially, this may more feasibly overcome the uncertainty and resistance to gender budgeting evident in several countries. In fact, the regional

gender stock-taking exercise being done by the Secretariat of the Pacific Community is one source of regional leadership on gender mainstreaming, and potentially gender budgeting.

REGIONAL OVERVIEWS

The countries of the Caribbean and the Pacific islands (Table 7.1) have made considerable progress on economic development and gender equality over the past two decades. Yet, significant problems remain that require innovative and inclusive approaches to policy, more so within the current challenging fiscal and macroeconomic environment. The Caribbean and Pacific islands are small open economies, dependent on a few dominant industries and highly vulnerable to external shocks. It is therefore important for these small economies to diversify sources of growth and make the best use of all resources.

The Pacific island countries are diverse, with varied cultures and languages, complicating precise definition of the region. Economic activities focus on tourism, services, agriculture, and fishing, and many of the islands rely on foreign aid and remittances to support government expenditures. The Democratic Republic of Timor-Leste stands out for its heavy dependence on its oil-exporting industry.

The Caribbean, likewise, presents diverse history and languages. This chapter focuses on the English-speaking countries with common social, political, and historical contexts.[1] After independence (around the 1960s for most Caribbean countries) the emphasis of economic development policy was on agriculture and services. Today tourism is a major economic sector and source of foreign exchange, along with remittances from residents abroad. In the Caribbean, Trinidad and Tobago is an outlier as the only exporter of fossil fuels.

Countries in both regions also depend on their natural environments for economic survival and are more vulnerable than other regions to natural disasters (Pantin 1995). Briguglio (1995) argues that in small economies domestic markets have limited ability to exploit economies of scale. Other challenges include higher distribution and production costs, difficulty delivering public goods, greater macroeconomic volatility and vulnerability to exogenous shocks, limited financial inclusion, and human resource constraints in the public and private sectors (IMF 2014a).

These issues remain significant and have translated into challenging fiscal environments for most small states. For example, although fiscal deficits narrowed in 2013, they have since begun to increase. And small states have typically had high public debt ratios, which are projected to increase (IMF 2015).

As the fiscal indicators for the Caribbean and Pacific indicate in Table 7.2, global economic challenges have dampened growth prospects for both regions. In addition, while falling oil prices bode well for energy-importing countries, Timor-Leste and Trinidad and Tobago, the regions' main oil exporters, are likely

[1]We also examine Dutch-speaking Suriname.

TABLE 7.1.

Development Indicators for Caribbean and Pacific Island Countries

Country	GDI, time-consistent (2013)	Gini coefficient[1] (scale 0–100)	Gross secondary enrollment		Labor force participation rate (ages 15–64)		Maternal mortality (per 100,000)	Legislation exists on domestic violence	Married men and women have equal ownership rights to property
			Female-to-male ratio	Female (percent)	Female-to-male ratio	Female (percent)			
Antigua and Barbuda	n.a.[2]	n.a.	1.15	112.9	n.a.	n.a.	n.a.	Yes	Yes
Bahamas, The	1.003	n.a.	1.05	95.3	0.91	76.4	80	Yes	Yes
Barbados	1.023	n.a.	1.12	111.0	0.90	76.6	27	Yes	Yes
Belize	0.967	53.26	1.05	86.1	0.61	51.9	28	Yes	Yes
Dominica	n.a.	n.a.	1.07	100.1	n.a.	n.a.	n.a.	Yes	Yes
Grenada	n.a.	n.a.	1.03	109.4	n.a.	n.a.	27	Yes	Yes
Guyana	0.988	44.55	1.15	108.7	0.54	44.7	229	Yes	Yes
Jamaica	0.993	45.46	1.06	91.1	0.83	61.5	89	Yes	Yes
St. Kitts and Nevis	n.a.	n.a.	1.04	96.3	n.a.	n.a.	n.a.	Yes	Yes
St. Lucia	n.a.	42.58	0.99	90.4	0.85	68.7	48	Yes	Yes
St. Vincent and the Grenadines	n.a.	n.a.	0.96	99.0	0.73	60.9	45	Yes	Yes
Suriname	0.976	57.61	1.31	97.1	0.61	44.8	155	Yes	Yes
Trinidad and Tobago	0.988	40.27	1.07	88.5	0.72	59.7	63	Yes	Yes
Caribbean average	**0.990**	**47.29**	**1.08**	**98.9**	**0.75**	**60.6**	**79**		
Fiji	0.933	42.78	1.11	92.9	0.53	39.3	30	Yes	Yes
Kiribati	n.a.	37.61	1.11	90.9	n.a.	n.a.	90	n.a.	n.a.
Marshall Islands	n.a.	n.a.	1.03	104.4	n.a.	n.a.	n.a.	n.a.	n.a.
Micronesia, Fed. Sts.	n.a.	61.18	1.08	86.7	n.a.	n.a.	100	n.a.	n.a.
Palau	n.a.	n.a.	1.02	99.9	n.a.	n.a.	n.a.	n.a.	n.a.
Samoa	n.a.	42.69	1.11	90.4	0.42	25.5	51	n.a.	n.a.
Solomon Islands	n.a.	46.10	0.94	47.0	0.68	55.5	114	n.a.	n.a.
Timor-Leste	n.a.	31.56	n.a.	n.a.	n.a.	n.a.	215	Yes	Yes
Tonga	0.962	38.10	0.97	102.5	0.74	56.4	124	Yes	No
Tuvalu	n.a.	n.a.	1.10	83.7	n.a.	n.a.	n.a.	n.a.	n.a.
Vanuatu	n.a.	37.18	1.00	59.5	0.77	62.3	78	n.a.	n.a.
Pacific Islands average	**0.948**	**42.15**	**1.05**	**85.8**	**0.63**	**47.8**	**100**		

Sources: World Bank, World Development Indicators database; World Bank, Women, Business and the Law (2015); Stotsky et al. (2016); and IMF staff estimates.
Note: Values are for 2013 or latest year available. n.a. = not available.
[1]A higher Gini coefficient implies more inequality.

TABLE 7.2.

Caribbean and Pacific Islands Fiscal Indicators

	Fiscal Aggregates[1] (average 2012–15; unless otherwise indicated)[2] (percent of GDP)						Public Financial Management
Country	**Total revenue**	**Total expenditure**	**Overall[3] balance**	**Gross[4] debt**	**Education[5] expenditure**	**Health[6] expenditure**	**Public Expenditure and Financial Accountability (PEFA), overall score[7]**
Antigua and Barbuda	20.1	24.3	–4.2	95.7	2.6[8]	3.7	n.a.
Bahamas, The	17.8	23.3	– 5.5	57.8	n.a.[9]	3.4	n.a.
Barbados	36.1	45.1	– 8.9	95.1	5.7	4.7	n.a.
Belize	27.7	31.0	– 3.3	75.4	6.4	3.7	n.a.
Dominica	30.1	33.7	– 3.5	77.7	n.a.	3.8	n.a.
Grenada	22.9	27.7	– 4.8	100.9	n.a.	2.9	2.3
Guyana	26.9	30.4	– 3.4	54.7	3.5	3.7	n.a.
Jamaica	26.8	28.0	– 1.2	136.2	6.3	3.1	2.4
St. Kitts and Nevis	40.1	32.0	8.0	95.9	4.2[8]	2.2	n.a.
St. Lucia	25.9	31.6	– 5.7	78.7	4.3	3.7	n.a.
St. Vincent and the Grenadines	26.7	30.0	– 3.3	75.2	5.1	4.3	n.a.
Suriname	24.2	31.3	– 7.1	31.3	n.a.	3.1	n.a.
Trinidad and Tobago	32.3	36.3	– 3.9	42.6	n.a.	2.8	2.8
Caribbean average	**27.5**	**31.1**	**– 3.6**	**78.3**	**5.2**	**3.5**	**2.5**
Fiji	27.3	29.9	– 2.6	48.8	4.3	2.8	n.a.
Kiribati	99.3	94.3	5.0	10.1	n.a.	8.4	n.a.
Marshall Islands	53.1	52.8	0.2	31.9	n.a.	14.3	n.a.
Micronesia, Fed. Sts.	66.0	61.5	4.5	26.8	n.a.	12.2	n.a.
Palau	42.5	39.9	2.6	n.a.	n.a.	6.6	n.a.
Samoa	34.5	39.4	– 4.9	53.9	5.1[8]	5.5	2.0
Solomon Islands	50.1	47.7	2.4	14.2	10.0	4.9	2.1
Timor-Leste	57.8	30.0	27.8	n.a.	10.0	1.0	2.2
Tonga	28.1	28.9	– 0.7	n.a.	n.a.	3.8	2.6
Tuvalu	114.7	89.8	24.9	47.6	n.a.	15.8	n.a.
Vanuatu	24.4	25.0	– 0.6	20.6	5.0	3.6	2.6
Pacific Islands average	**54.3**	**49.0**	**5.3**	**31.7**	**7.3**	**7.2**	**2.3**

Sources: IMF, World Economic Outlook (WEO); World Bank, World Development Indicators (WDI); and IMF staff calculations.

[1]All figures except for health and education expenditure are drawn from the latest WEO publication, and the concept of government corresponds to that in the WEO. Please see the WEO for further details. Health and education expenditure are drawn from the WDI and correspond to the general government concept.

[2]The figures are based on the average over the number of years in this period for which data were available.

[3]Corresponds to the concept of total revenue minus total expenditure.

[4]Gross debt does not net out holdings of debt by other entities of the government.

[5]The figures for education expenditure are based on 2010–13 averages or the number of years for which data are available in this period. The 2013 data are the latest available.

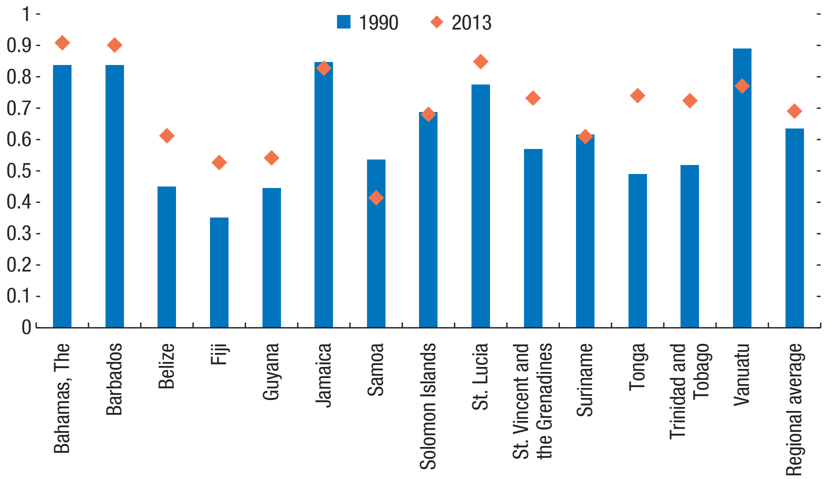
[6]The figures for health expenditure are based on 2011–14 averages or the number of years for which data are available in this period. The 2014 data are the latest available.

[7]PEFA is a performance monitoring framework used to assess the public financial management systems in developing countries. It is an initiative jointly supported by the World Bank, IMF, European Commission, and other development and government institutions. The framework consists of 28 indicators with each indicator scored on a scale from A (highest) to D (lowest). PEFA scores reported above are an average of the 28 indicators and convert the four ordinal PEFA scores (A,B,C,D) to numerical scores (4,3,2,1) with "+" score given 0.5 point. A higher PEFA score implies stronger administration of public finance. On a global basis, the lowest score is 1.1 and the highest score is 3.6. Please see https://www.pefa.org/ for further details.

[8]The figures reflect the value of latest year available since data were not available for the 2010–13 period: Antigua & Barbuda (2009), St. Kitts & Nevis (2007), Samoa (2008).

[9]Data are not available.

Figure 7.1. Labor Force Participation Rate, Ages 15–64
(Female-to-male ratio)



Sources: World Bank, World Development Indicators database; and IMF staff estimates.

to feel fiscal and economic pressure from lower oil revenues. The same is true for commodity-intensive countries in the Caribbean, which face lower prices for gold and aluminum. These commodity shocks emphasize the importance of diversifying the economies of the natural resource producers.

One major development challenge across the Pacific island countries is ineffective governance, including the delivery of public services.[2] Some argue that this has hurt economic growth rates, particularly in comparison to those in the Caribbean (Prasad 2008). Perhaps a key constraint on economic growth among the Pacific island countries is their remoteness. That is, the cost of transportation between countries in the region, limited labor mobility, and the large distance between markets can all severely limit economic growth. In fact, countries in the Pacific are the most remote in the world; more so than those in the Caribbean (World Bank 2009).

These development challenges are related to gender inequality in both regions. In keeping with global trends, female labor force participation is lower than that for males, although the gap has fallen (Figure 7.1). That said, even with greater female labor force participation, the gender wage gap remains a problem across the Pacific island countries (Pacific Islands Forum Secretariat 2013) and is particularly acute among men and women with low skill levels and education (World Bank 2012). Similarly, in the Caribbean men earn more than women on average,

[2]Table 7.2 notes the typically low PEFA scores of the regions. PEFA is a tool for assessing the status of public financial management.

ranging from $22,779 for men and $14,850 for women in Barbados, to $8,882 (men) and $5,338 (women) in Jamaica (Hausman, Tyson, and Zahidi 2013).

Gender inequality is also sizable in political representation. The Pacific island countries have some of the lowest levels of female representation in the world; several countries have no female representation in their national legislatures (Pacific Islands Forum Secretariat 2013). Timor-Leste is an exception. In the Caribbean, however, recent trends suggest that political representation of women is approaching the so-called critical mass marker of 30 percent, albeit at the local government level (Reddock 2004).

With the support of civil society groups, governments have responded to these challenges in several ways. All countries have agreed to international conventions such as Convention for the Elimination of All Forms of Discrimination Against Women (CEDAW), and have passed legislation to promote gender equality. Within the past six years, several Pacific island governments have passed revised or new legislation to prevent domestic violence and protect its victims.

Other areas in which Pacific island governments have responded include raising the minimum wage, which would primarily benefit women in low-income jobs, and introducing paid maternity leave. The Solomon Islands introduced a bill in 2014 requiring political parties to ensure women make up at least 10 percent of their candidates (Secretariat of the Pacific Community 2015a).

More broadly, however, few Pacific island countries have a national gender policy, which would set out government objectives. Some of the exceptions include Fiji (2014), Samoa (2010), Tonga (revised 2014), Tuvalu (revised 2014), and Vanuatu (2014) (Secretariat of the Pacific Community 2015a).

In the Caribbean, countries have improved legislation related to gender equality, including laws to recognize the inheritance and other rights of women in unions other than marriage (common law unions) and laws to address domestic violence. A smaller set of countries—Belize, the British Virgin Islands, Cayman Islands, Dominica, and Jamaica—has also drafted national gender policies (Hosein and Parpart 2014). Some of the identified policy priorities include those on gender-based violence, leadership and political representation, employee rights, and access to health and reproductive services. Figure 7.2 illustrates accomplishments in maternal mortality over the past two decades.

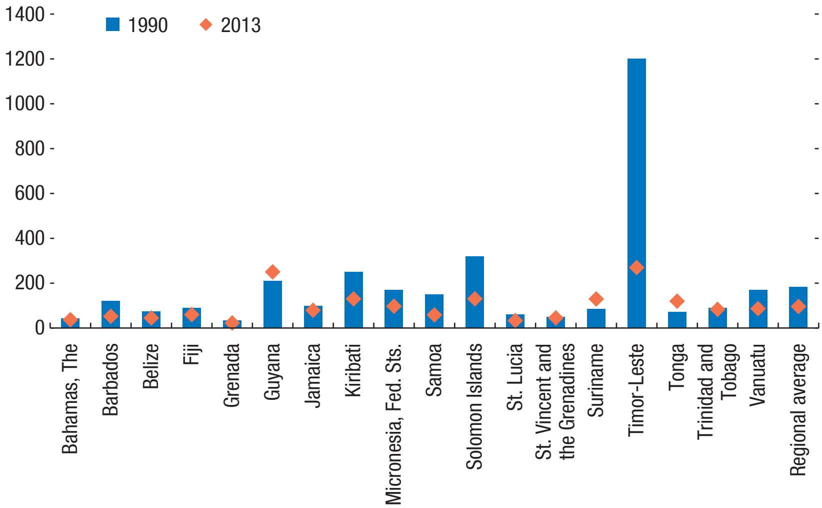
In summary, the countries of the Caribbean and Pacific islands have advanced economic development and gender equality considerably over the last two decades, but only a few governments have attempted some form of gender budgeting. The following sections examine examples of such initiatives.

GENDER BUDGETING COUNTRY EXPERIENCES: TIMOR-LESTE

Overview

Since gaining independence in 2002, Timor-Leste has taken significant steps toward gender budgeting. Despite a long history of political turmoil, the

Figure 7.2. Maternal Mortality Ratio
(Modeled estimate, per 100,000 live births)



Sources: World Bank, World Development Indicators database; and IMF staff estimates.

country has made remarkable progress in building its economy (IMF 2014b). The economy has grown rapidly, averaging almost 9 percent a year since 2010 (World Bank 2015), primarily due to large reserves of oil and gas in the Timor Sea. As the second most oil-dependent nation in the world, the country earns most of its revenue from oil (Costa, Sharp, and Elson 2009).

This extreme dependence on oil, however, may hamper the economy going forward if the country does not diversify its economic base (Arbulu 2012). However, despite the growth in GDP, unemployment remains high and poverty persistent. In 2014, gross national income per capita (in purchasing power parity) was $5,680. Among a population of about 1.2 million in 2014, an estimated 50 percent was living below the national poverty line,[3] with rural poverty particularly severe (World Bank 2015).

As a newly democratic state, Timor-Leste has made significant efforts to establish sound governance structures and strengthen its institutional frameworks. Although successive governments have made strong commitments to good governance and upholding rights, much more remains to be done. Transparency International ranked Timor-Leste 133rd out of 175 countries on the Corruption Perceptions Index (2014). The country also received low marks for transparency, with a rank of 36 for budget openness in 2012. Weak

[3]This was a 2007 estimate. Poverty assessments are approximate given the lack of recent data.

institutional capacity of the government has been attributed to a lack of skilled bureaucrats and inadequate administrative procedures (Costa, Sharp, and Elson 2009).

A legacy of gender inequality tends to be pervasive in conflict-affected states (Holmes and Slater 2014). In Timor-Leste, women are disadvantaged in many areas—education, employment, and health being among the most serious. In a vicious cycle, this leads to other problems such as vulnerability to gender-based violence and human trafficking. Studies report that some 38 percent of women have experienced physical violence during their adult lives (SEPI 2014). The Timorese government has taken some affirmative steps to correct the wide gender inequalities; however, significant disparities remain. For example, women's literacy rates are consistently lower than men's, especially in rural areas (Costa, Sharp and Elson 2009). While gross school enrollments are low for boys and girls, female enrollment rates decline significantly at the secondary and tertiary levels.

In employment, the female labor force participation rate of 26.9 percent in 2010 was less than half that of males (56.2 percent) (Secretary of State for Vocational Training and Employment 2010). Furthermore, women were typically employed in lower occupational ranks, receiving lower salaries and fewer benefits and opportunities to advance professionally (Costa, Sharp, and Elson 2009). In health, limited facilities and skilled birth attendants cause the maternal mortality rate to be among the highest in the world at between 140 and 500 per 100,000 live births (World Health Organization 2013 estimate).

Nevertheless, Timor-Leste's commitment to promoting gender equality has made some positive achievements over the years. The country has one of the highest shares of female parliamentarians in the world, with 38 percent of seats in the National Parliament in the July 2012 elections won by women.[4] The government also enacted a law and a national action plan against domestic violence to combat pervasive gender-based violence. Still, it has been observed that women's strong representation in parliament does not necessarily translate into strong influence in decision-making, as voting is done along hierarchical and party lines (Costa, Sharp, and Elson 2009). Additionally, institutional problems that lead to weak implementation of laws require greater effort to effectively implement the Law Against Domestic Violence (SEPI 2014). Given the stark gender disparities, proponents of an economic growth model that advances the well-being of everyone advocate gender budgeting as one strategy that can reduce inequality and accelerate development in Timor-Leste.

[4]This achievement was facilitated by legislating a quota system in parliamentary elections requiring at least one woman for every three candidates on political party candidate lists (SEPI 2014). With 38 percent of parliament currently female, Timor-Leste has achieved its Millenium Development Goals target of 35 percent women in parliament. At the local government level, however, females are still underrepresented. In 2010, there was only one female governor in a subdistrict and none in the districts. Furthermore, only 3 percent were village chiefs (JICA 2011).

BACKGROUND TO GENDER BUDGETING IN TIMOR-LESTE

As a critical part of nation building, the government placed considerable emphasis on women's rights and gender equality. These principles were incorporated into the constitution and embedded in the National Development Plan for 2002–07 and, more recently, into the Strategic Development Plan 2011–30. The government also signed on to several international conventions advocating women's rights and equality. In 2003, it ratified CEDAW, which requires that the government be accountable for its actions in addressing gender issues across the full spectrum of social, economic, and environmental sectors. The country also signed the Beijing Declaration and Platform for Action and the Millennium Development Goals (MDGs).

As such, Timor-Leste adopted gender mainstreaming as the primary approach to promoting equality between men and women. Gender budgeting was embraced as a key strategy to integrating gender into the policy process as a standard procedure. The government adopted gender budgeting in July 2009, which involved ensuring that commitments for the promotion of gender equality translated into action in annual plans and budgets of the government and state-funded institutions (SEPI 2014).

In the initial implementation, the gender budgeting initiatives focused on fiscal issues related to rights-based goals such as women's equality, women's economic empowerment, poverty reduction, eliminating gender-based violence, enhancing women's position in decision-making, education, and health. Among the MDGs, gender budgeting was regarded as an essential tool in achieving goals 1, 3, and 5: reducing poverty, empowering women, and improving maternal health (UN Women n.d.).

The gender mainstreaming flag areas of education, health, justice, agriculture, and finance served as the initial focus sectors for gender budgeting. However, directives from the government urged all ministries and state secretariats to take gender equality considerations into account during the budgeting process. To date, the emphasis of gender budgeting in Timor-Leste has been on spending outlined in the annual action plan that informs the budget of each ministry. A tax or revenue dimension has not yet been developed. Some progress has been made in compiling appropriate sex-disaggregated data to better inform gender-sensitive policies.

SPECIFIC GENDER BUDGETING INITIATIVES

*T*imor-Leste has engaged in a range of gender budgeting activities, largely supported by donor partners. Initial efforts concerned establishing an institutional framework for undertaking gender budgeting; raising awareness of the importance of integrating gender into policies, programs, and budgets; and improving the technical capacity to conduct gender budgeting analyses by providing training opportunities for government officials and members of civil society organizations. Most recently, the focus has been on incorporating gender issues into the Annual Action Plans of ministries and state institutions, aiming to translate planning into programming and budgets.

Legal Basis for Gender Budgeting

In Timor-Leste, the constitution is the first legal basis supporting gender budgeting. According to the national women's machinery, "the Constitution provides the mandate for action on gender issues across all sectors" (SEPI 2014). It calls not only for equality between women and men in all areas of family, political, economic, social, and cultural life (Article 17), but also for nondiscrimination on various grounds, including gender (Article 16) (Government of Timor-Leste 2002).

Additionally, the government adopted three resolutions to ensure gender perspectives were integrated into operations in governing institutions. First, in 2002, the government established the Office of the Advisor on the Promotion of Equality to advance women's affairs and lead gender mainstreaming as the main national women's machinery. Its mandate was significantly expanded in 2008 with the establishment of the Secretary of State for the Promotion of Equality (SEPI). Decree-Law No. 16/2008 instituted SEPI as a legal agency and as a central government body. In this new capacity, it was given greater responsibility to promote and monitor the introduction of gender budgeting among government agencies.

Second, the government introduced gender budgeting in July 2009 through a parliamentary resolution (No. 28/II). This called on all parliamentary committees to use and promote gender budgeting instruments and methods, and established a parliamentary process, assigning roles to government, nongovernment organizations, and donors. Parliament again endorsed gender budgeting in Parliamentary Resolution No. 12/2010 on the preparation of a budget, in May 2010.

Third, in August 2011 the Gender Working Groups Resolution No. 27/2011 was adopted to enjoin all line ministries and state secretariats to constitute gender working groups in districts, consisting of senior officials responsible for decision-making and budget implementation. The resolution established national gender working groups at the state and district levels.

In addition, specific sections on gender equality known as gender statements were included in the 2008, 2009, and 2010 budget documents. Costa, Sharp, and Austen (2009) argue that these gender statements provided the pillar for the gender budgeting institutional framework. Even though the government discontinued including gender statements in the budget documents after 2010, the Ministry of Finance continues to issue a budget circular requiring ministries and secretaries of state to integrate gender considerations into their annual action plans and budgets. The 2015 State Budget highlighted the following gender-related considerations:

> The programme of the fifth government commits gender equality and nutrition for children as the MDG objective which needs to be given attention from all. Therefore each Line Ministry and State Institution needs to 'discriminate' in their submission, to allocate budget for gender activities and programmes for children. Gender activities need discrimination following the guidelines of the Secretary of State; for activities and programmes related to children, it is the relevant ministries' responsibility. To achieve this compromise, it is requested to the relevant ministries and agencies to identify the strategic areas and ensure budget allocations are adequate to reach the objectives set (Timor-Leste Ministry of Finance 2015).

The state budget circular was supported by the prime minister's guidelines for annual planning, which also required that a gender perspective and equal opportunities be considered (Budlender 2015). More detailed guidelines and sectoral checklists, prepared by the national women's machinery, were intended to assist government agencies in complying. Box 7.1 presents an example of the gender checklist for the justice sector.

A form of "gender statement" was included in the 2016 budget, highlighting Timor-Leste's progress in gender equality to date and reaffirming the government's commitment to reform:

> Timor-Leste has achieved all targets under Goal 3 'Promote Gender Equality and Empower Women.' It has surpassed the targets set for ratios of girls to boys in primary, presecondary and secondary school, setting an example for gender equity in education, an achievement few other developing countries can claim. The Government is putting in place important measures to encourage the role of women in the private sector, and subject to meeting certain standards, businesses operated by women are given preferential treatment in Government procurement. Between 2010 and 2014, 1,600 businesses run by women have been registered with the Institute for Business Support (IADE) and received training and assistance on planning, preparing credit proposals and improved market linkages. The Government is committed to further reforms . . . to improve gender equality. Key activities include: running an advocacy campaign to increase awareness of gender responsive laws and policies and establishing a district female congress (Timor-Leste Ministry of Finance 2016, 39).

Institutionalization of Gender Budgeting

The integration of gender in Annual Action Plans is the centerpiece of the gender budgeting framework in Timor-Leste (UN Women 2015a), as the central document in the budget process of all ministries and state institutions. These plans must be approved by the Ministry of Finance and the recently established Planning, Monitoring and Evaluation Unit (Decree Law, June 2015). Specific to gender budgeting, the expanded role of the national women's machinery requires it to review the Annual Action Plans of government institutions and provide guidelines for inclusion of gender issues.

Box 7.1. Gender Mainstreaming and Gender-Responsive Budgeting: Draft Checklist for Gender-Sensitive Planning and Budgeting of State Annual Action Plans and Budgeting

Gender Mainstreaming and Gender-Responsive Budgeting in the Justice Sector

1. Has a gender analysis of the sector been conducted to understand women and men's different needs, problems, in the sector?
2. Have the international agreements been taken into account before planning (MDG, Beijing Platform for action, and CEDAW Concluding observations Dili Comprimisu, and National Parliament Resolution on GRB, fifth government programmer's gender commitments)? (If you don't have gender analysis.)
3. Check sex- disaggregated data at all levels for outcome and output, targets and indicators.
4. Have you considered including activities to review policies, laws, or implement laws towards the promotion of gender equality?
5. Have you considered including activities to increase access to justice for women, such as legal aid services, dissemination of laws in local languages and legal literacy programmes.
6. Have you considered including specific activities for the implementation of the Law Against Domestic Violence (LADV)? Have you considered allocating a budget for the implementation of LADV, and its National Action Plan?
7. Have you considered including activities to mainstream gender in your Ministry: for instance to conduct an institutional gender assessment of the Ministry, to develop a gender policy, to develop guidelines for planning and budgeting, gender mainstreaming, gender responsive budgeting.
8. Have you considered conducting a long term capacity building programme for the staff on women's human rights, CEDAW, gender, gender responsive planning, budgeting, and gender sensitive legal drafting?
9. Have you considered to include activities in order to mainstream gender in the curriculum of the Legal training center
10. Have you considered developing feedback mechanisms from women to monitor participation and impact on a regular basis and include it as part of your plan?
11. Could you please check how much budget your Ministry has allocated for gender related activities?

Source: UN Women Timor-Leste (n.d.)

Institutionalizing gender budgeting through Annual Action Plans has had some success. The number of ministries and state institutions that included provisions and actions related to gender equality in their Annual Action Plans doubled from 14 to 28 between 2013 and 2014. Moreover, the quality of gender equality measures and actions incorporated into the Annual Action Plans improved noticeably (UN Women 2015a). Examples of gender-related sections in the plans include:

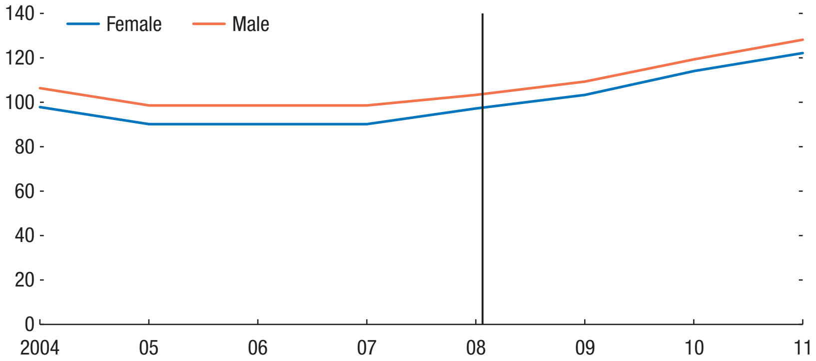
- The Secretary of State for Vocational Training and Employment promoted gender equality in its programs. Plans included the identification of young people (male and female) for training in producing and sewing local products for the hospitality industry. There were also plans to develop a national skills strategy from a gender perspective.
- The Ministry of Tourism, Commerce and Industry aimed to create new industrial enterprises and training opportunities for women.
- The Ministry of Defense and Security outlined workshops to raise awareness about mechanisms for defending rights, including the issue of women's access to justice and legal assistance. It emphasized gender balance in the attendees.
- The Ministry of Education focused on increasing access for girls and women to all education levels. Interventions included gender-awareness training, implementing gender-friendly curriculum and teaching practices, and designing a scholarship system for women to participate in technical and higher education.
- Several ministries included specific gender targets for recruitment and training of staff, for example, the Ministry of Foreign Affairs and Ministry of Tourism.
- The Secretary of State for Youth and Sport systematically targeted 50 percent girls and women in their activities.

In the early phases of introducing gender budgeting in Timor-Leste, the focus was on specific sectors. These included the Ministries of Finance, Health, Education, Agriculture, Justice, and Social Services. The education and agricultural ministries have made particularly significant progress in integrating gender considerations into their policy making and programming framework.

In 2008 the Ministry of Education set up a gender unit and assigned three gender working groups. External consultants assessed how government expenditures could be better targeted to meet the educational needs of girls and boys and reduce gender gaps in school attendance. The analysis involved comparing the population shares of rural and urban boys and girls, their school attendance, and budgetary data to identify the share of educational expenditure on different groups of children (Austen and others 2013). The study found that government spending on rural girls at presecondary and secondary school levels was particularly low in relation to their population share.

The findings from this gender analysis helped to inform the Ministry of Education in developing a social inclusion policy to address the gender gaps. The policy provides an implementation framework for existing and future initiatives that promote the right to education for marginalized groups, including girls, children in rural areas, and children with a disability (ADB 2014a). Data on primary school enrollments show an increase in gross enrollment rates since the mid-2000s, with a slight narrowing of the gap between males and females since 2008, when gender budgeting was first implemented (Figure 7.3).

Figure 7.3. Timor-Leste: Gross Primary Enrollment[1]
(Percent)



Sources: World Bank, World Development Indicators database; and IMF staff estimates.
Note: The vertical line indicates the start of gender budgeting in the education sector in 2008.
[1]In some countries, the female or male gross enrollment rate is over 100 percent, suggesting that there are grade repeaters or late or early enrollments. For more information, please refer to: https://datahelpdesk.worldbank.org/knowledgebase/articles/114955-how-can-gross-school-enrollment-ratios-be-over-100.

The Ministry of Agriculture and Fisheries was highlighted in the Beijing+20 Review of Timor-Leste for its significant progress in integrating gender considerations into its policymaking framework. Specifically, it was noted that the ministry had:

- Developed a gender policy;
- Appointed gender working groups at the national and district levels to implement gender-specific strategies and women-focused activities;
- Revised its National Policy of Food and Nutrition strategy to ensure that intervention programs included gender considerations; and
- Assigned extension agents at the district level, with special attention to women.

Complementing the progress, in July 2009 the Inter-Ministerial Commission for Rural Development was formed. Its responsibilities involved the monitoring of sex-disaggregated data and gender equity issues within the Strategic Framework for Rural Development 2010–2020 (SEPI 2014). Prior to this initiative, in 2008 the national women's machinery began a Women's Economic Empowerment Program for rural women. The program, part of the MDG Fund Joint Project, provided training and cash transfers to support women's groups in rural areas to start and grow small businesses. The program transferred approximately $350,000 between 2008 and 2011. Monitoring reports show that some 77 percent of the groups of women receiving assistance have continued to operate their businesses (SEPI 2014).

Addressing gender-based violence is another important area that provides evidence of progress in gender budgeting in Timor-Leste. In 2010 the Law Against Domestic Violence (No. 7/2010) was proclaimed and in 2012 the National Action Plan of Gender-Based Violence was adopted. This plan represented the country's first multisectoral approach to addressing gender-based violence, comprising the education, social services, justice, security, and health sectors (ADB 2014a). Gender budgeting analysis was used to cost the National Action Plan, with more than $7 million budgeted by key ministries during 2012–14.

Support for Gender Budgeting

Successive governments have been keen to voice support for gender equality in Timor-Leste. This has assisted efforts toward wide-scale integration of gender equality considerations in national policy under gender mainstreaming and gender budgeting. However, actual implementation of gender-sensitive policies is heavily donor-driven, with initiatives often coming to a halt when external funding ceases. Nevertheless, the fact that the government remains receptive to ideas of intentionally incorporating gender allows international donor agencies, such as UN Women, to continue to engage public officials and civil society in trying to bring about sustainable implementation of gender budgeting. This section summarizes support for gender budgeting in Timor-Leste from various sources.

Executive/Political Level

The government's commitment to gender budgeting as a part of its gender mainstreaming strategy was outlined in the gender statements in the 2008, 2009, and 2010 budget documents. Costa, Sharp, and Austen (2009) argue that these statements provided the pillar for the institutional framework for gender budgeting in Timor-Leste. The 2008 Gender Statement indicated that the government, through the national women's machinery, would develop an integrated "Whole of State Policy for Women in 2008" and that the government intended to initiate a gender approach to the formulation of the second National Development Plan and for the 2009 budget (Timor-Leste Ministry of Finance 2008). These sentiments were further reinforced in the 2009 and 2010 budget documents within the gender and culture statement. The 2010 statement indicated progress made, highlighting that the government had intensified its gender approach to the formulation of Ministry Annual Action Plans.

The National Women's Machinery

The secretary of state for the support and socio-economical promotion of women (SEM) (formerly, the secretary of state for the promotion of equality) leads efforts to integrate a gender approach in policymaking and, by extension, gender budgeting. According to the five-year strategic plan (2012–17) of SEM, the office advocates for gender-responsive policies and laws; makes institutions gender sensitive through gender mainstreaming in policies, programs, processes and budgets; raises gender awareness among stakeholders and the general public to raise public support for gender equality promotion; and empowers women through cash transfers to women's groups (ADB 2014a).

More specifically, it channels gender budgeting functions through gender working groups established in government ministries and agencies at the national and district levels. These have been credited with increasing inclusion of gender priorities in Ministerial Annual Action Plans and budgets (SEPI 2014).

In 2012 SEM's ability to advocate for gender budgeting was strengthened by its inclusion on the Budget Review Committee. Being on the committee allowed SEM to offer a gender perspective on the budget process at the highest level and gave more weight to SEM's monitoring and interventions. In May 2014 SEM and the Ministry of Finance received capacity support in the form of in-house gender experts funded by international donors. These gender advisers offered real-time support in response to requests and have been credited with helping SEM influence the integration of gender into the Annual Action Plan process (UN Women 2015a).

The National Parliament

The National Parliament also plays an important role in gender budgeting. The push for a legal basis for gender budgeting in Timor-Leste in 2009 came from the National Parliament, led mainly by the Women's Caucus (Costa, Sharp, and Elson 2009). The formation of a caucus of female members of parliament to provide a united front on gender equality issues has been hailed as a major achievement for Timorese democracy (ADB 2014a).

An important resource available to all members of parliament is the Center for Capacity Building and Information on Gender Equality, established to assist national parliamentarians to incorporate gender equality issues in their work. The center provides information services and training for elected officials and their staff to help them understand and address gender-related issues in policymaking. In 2010 the Group of Women Parliamentarians, working with civil society and SEM, secured additional funding for the Ministry of Agriculture's gender budget.

International Donors

The introduction of gender budgeting in Timor-Leste has benefited greatly from development partners that have worked extensively with government and civil society to promote awareness of gender mainstreaming and to build capacity in gender budgeting analysis. Donor agencies, including the Asian Development Bank (ADB), United Nations Development Programme, UN Women, United Nations Capital Development Fund, World Bank, and the governments of Australia, Ireland, New Zealand, Norway, Spain, Sweden, and the European Union, have offered development assistance.

Between 2008 and 2012, the MDG-Fund Joint Program was particularly successful in promoting gender budgeting in Timor-Leste. Among its broad goals, the program "supported government efforts to protect women from violence and economic hardship and ensure their equal access to justice by assisting in the formulation of legislation and gender-sensitive budgeting, building capacity to prevent human trafficking, and improving services for victims of violence" (MDG Fund n.d.). In addition to supporting the adoption of a gender budgeting framework, the Joint Program was instrumental in bringing about the Law Against Domestic Violence (passed in June 2010). The Joint Program also supported the development of the National Action Plans on Gender-Based Violence and Human Trafficking.

Since 2014 the government of Norway has been instrumental in reviving gender budgeting efforts through funding for the program Institutional Strengthening for Gender Equality and Women's Empowerment in Timor-Leste.

Civil Society

Timor-Leste's very active civil society has played a key role in advocating for gender budgeting. Formal mechanisms have been established at the ministerial level and within the national women's machinery for inclusion of the views of civil society. In addition, various international development agencies, such as UN Women, United Nations Population Fund, and United Nations Children's Fund (UNICEF), often partner with the civil society groups to mobilize resources and assist with capacity building. In August 2010 women's rights organizations started a campaign to lobby government to ensure all future budgets were gender responsive. More recently, the Norway Project funded the Gender Responsive Budget Working Group of the Civil Society, which for four years has undertaken an independent gender review of the Annual Action Plans and state budget and submitted its recommendations to parliament (UN Women 2015a).

Consultative Process

Participatory national consultations and extensive media campaigns helped the government raise awareness of gender issues in policymaking and get widespread support for gender budgeting. The participation of civil society groups, and more formally meetings of the National Women's Congress, considered the concerns of women and girls and other marginalized groups. Held approximately every four years, the congress allows the gender and development community to engage with Timorese women and establish priorities.[5]

To commemorate International Women's Day on March 8, 2008, meanwhile, various government and parliamentary stakeholders and civil society organizations signed an agreement reiterating their commitment to work together to implement gender budgeting. This Dili Commitment pledged action to introduce gender budgeting, eliminate violence against women and girls, promote

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[5]At each meeting, the National Women's Congress develops a Platform for Action, which could be used as a monitoring tool for the implementation of gender equality, but which has not received much attention from the government (UN Women Timor-Leste 2015).

equal access to land and resources, and develop gender-sensitive policies in key areas such as health and education (ADB 2014a).

ASSESSMENT OF GENDER BUDGETING

A 2011 assessment of gender budgeting commissioned by the national women's machinery found that "much progress had been made by SEPI and partners to establish mechanisms for gender responsive budgeting, raise awareness of its value, and train stakeholders in what is involved" (SEPI 2014). However, the report identified more than 15 challenges and gaps in capacity related to the structure of the budget system, confusion about roles and responsibilities, a lack of coordination, and the limited resources and capacity of organizations involved. In the budget system, the structure of the state budget and the ability to transfer allocations between different line items made it difficult to track whether spending was gender-related.

In the same vein, while significant work has incorporated gender into Annual Action Plans, more needs to be done to move from planning to budgeting. Annual Action Plans represent a potentially strategic entry point for gender budgeting, as noted, but the current format does not allow in-depth analysis. It is more of a narrative statement, without corresponding description of activities or budget allocations (UN Women 2015a). Plans are under way to change the format of the budget from line-based to performance-based, whereby planned activities can be better linked to budgets and spending.

In this regard, the new Decree Law of June 2015 could have positive implications for gender budgeting. Under the law, each ministry and secretary of state is required to have the programs and activities outlined in its Annual Action Plans reviewed by the Ministry of Finance and the newly established Unit of Planning, Monitoring and Evaluation. The Ministry of Finance will verify the coherence between those plans, the budget, and the tangible results of proposed programs and activities.

Another challenge preventing the effective implementation of gender budgeting in Timor-Leste is the need for quality data and information (SEPI 2014). Limited availability of sex-disaggregated data makes it nearly impossible to track the implementation of programs mentioned in the Annual Action Plans. Recently, UN Women negotiated with the General Directorate of Statistics to enhance the 2015 National Census by obtaining accurate data that consider women's realities (UN Women 2015a).

LESSONS LEARNED

Timor-Leste is the only country covered here that has sustained engagement with gender budgeting, albeit with varying success. Given its history of conflict and relatively recent independence, gender budgeting has focused on substantive areas of relevance to the country. Among the lessons learned:

- High-level political support was instrumental to the sustainability of gender budgeting efforts. Each successive administration integrated gender equity considerations into its national programs. In addition, successive prime ministers (Xanana Gusmã then Rui Maria de Araújo) were vocal champions of gender equality. The National Parliament, which pushed through the legal framework to legitimize gender budgeting, also provided strong support.
- There was consonance with national development goals. The gender budgeting efforts, while funded by international donors, were consistent with national development policies (the National Development Plan 2002–07, and the Strategic Development Plan 2011–30), which gave the government a feeling of ownership of the program.
- The early institutionalization of gender budgeting was important to sustainability. The 2009 Parliamentary Resolution gave an early legal basis to gender budgeting. The gender statements that accompanied the state budget documents, and later, the budget circulars from the Ministry of Finance, added to this legitimacy.
- The institutionalization of gender budgeting through the Annual Action Plans, arguably the centerpiece of the gender budgeting framework, presented a strategic approach to operationalizing gender budgeting in line ministries and state secretariats. The more recent gender budgeting initiatives have been a part of broader programs with multiple objectives in gender equality and women's development. This allows the application of gender budgeting across multiple sectors, increasing its influence. Notable achievements include the Ministry of Education's National Social Inclusion Policy, the National Policy on Gender-Based Violence, and the Ministry of Agriculture's National Policy of Food and Nutrition.

The Caribbean

Overview

Most Caribbean countries did not have what could be judged a well-developed gender budgeting initiative. However, all signed on to the Convention for the Elimination of All Forms of Discrimination Against Women and other international conventions requiring them to account for gender issues in national policies and programming. This stipulation was mainly fulfilled by governments incorporating provisions for gender under social sector expenditure and programming.

To this extent, several initiatives targeted at gender equality were implemented, including the establishment of Gender Bureaus and increased social protection spending. To be sure, mainstreaming gender into national policy has not been a priority for most countries, and in some the general sentiment has been that the budget was already gender neutral and significant steps to address gender issues were being taken through social programs. Nevertheless, several Caribbean countries have entertained the idea of gender budgeting as a tool for monitoring program spending and have engaged in various instances of training in gender budgeting—mostly driven by international donor support. The impact of this training, however, is not clear as the initiatives were not sustained. Recently, donor partners have renewed pushing to have gender mainstreamed into national policies, programs, and budgets, with Eastern Caribbean countries, Trinidad and Tobago, and Suriname announcing new gender budgeting initiatives.

History of Gender Budgeting Initiatives

Barbados launched the earliest gender budget initiative in the Caribbean, in the late 1990s, as part of the first Commonwealth Secretariat Gender Budget Initiative. The pilot, a training seminar for government officials from different ministries, required participating ministries to conduct gender-responsive analyses of their budgets. This included examining expenditure on targeted programs, expenditure on government employees, and general expenditures (Dalrymple 1999). Without further political support, however, the initiative did not progress beyond the pilot. Some 14 years, later the official report on Beijing+20 noted that gender budgeting remained an important need in the government (Government of Barbados 2014).

St. Kitts and Nevis also received support from the Commonwealth Secretariat in the late 1990s to pilot a gender budget exercise through the Bureau of Women's Affairs. The initiative was meant to target the Ministries of Finance and Agriculture. However, in this case the initiative did not take place due to insufficient support among public sector officials, who felt that much work was already being done to promote gender equality (CDB 2014). For example, it was noted that gender provisions were incorporated into social sector spending disbursed as cash grants. Nonetheless, the Commonwealth Secretariat did manage to implement a Gender Management System program that was credited with bringing about a six-fold increase in funding for the gender development program of the Ministry of Community and Social Development and Gender Affairs (Budlender 2001).

Since 2013 a new wave of gender budgeting activity has emerged in the Caribbean. In Trinidad and Tobago, the government announced in its 2014 Budget Statement that it would develop guidelines to institutionalize gender budgeting in government ministries as part of a gender mainstreaming strategy (Government of Trinidad and Tobago 2014a). The Ministry of Gender, Youth and Child Development led the initiative in collaboration with the Commonwealth Secretariat.

Gender budgeting activities included a three-day capacity building workshop for public policy and planning officials in March 2012, the preparation of a gender budgeting toolkit tailored to Trinidad and Tobago, and the formulation of a three-year action plan for institutionalizing gender budgeting in all government agencies and ministries. The plan, completed in August 2014, was to start in fiscal year 2014/15 (Government of Trinidad and Tobago 2014b). However, nothing was actually implemented, no follow-up occurred, and no further mention of gender or gender budgeting was made in the 2015 or 2016 budget statements. Ministerial changes during that period and a subsequent change of government in 2015 could help explain this. It remains to be seen whether the new administration will take up the action plan.

Several new and potentially promising, initiatives are currently under way in the Eastern Caribbean. In May 2015 UN Women, UNICEF, and the Organization of Eastern Caribbean States (OECS) Commission organized a regional workshop on child and gender responsive budgeting for budget directors and senior public officers of the social transformation ministries from the Eastern Caribbean states and the British overseas territories (UN Women 2015b).[6] The workshop is part of a joint initiative among UN Women, the OECS Commission, and government counterparts for 2014–16 to integrate child and gender sensitivity into ongoing social protection reform (UNICEF 2015). The workshop aimed to increase the knowledge of relevant policymakers and social development practitioners to ensure the financing of child- and gender-related policies and programs in social protection. Other planned activities under the joint initiative included the development of a gender- and child-responsive budgeting manual, tailored to the Eastern Caribbean Area and Caribbean Overseas Territories.

Another promising initiative is under way in St. Vincent and the Grenadines, which has been taking steps to mainstream gender into macroeconomic planning. According to the Beijing+20 report, the Ministry of Finance in partnership with the Eastern Caribbean Economic Management Program has embarked on a gender mainstreaming initiative to integrate gender into macroeconomic planning. The activities have included the collection of sex-disaggregated economic data, review of relevant legislation, and training in gender budgeting (Government of St. Vincent and the Grenadines 2014). In addition to the work done by Economic Management Program, the Gender Affairs Division worked with the Ministry of Finance to develop guidelines and indicators for gender budgeting.

Social Protection Programs in the Caribbean

While attempts to incorporate gender budgeting into national planning are still nascent in the Caribbean, addressing gender equality issues through social sector policies is a common theme throughout the region. For example, Barbados, Jamaica, and Trinidad and Tobago have developed social protection and social safety net programs well, benefiting poor women and children. The social sector therefore provides a strategic entry point for advancing gender budgeting in a more systematic way in the Caribbean.

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[6]Member countries of the OECS are Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

As noted above, UN Women and UNICEF implemented several initiatives with the aim of linking gender budgeting approaches to social protection. In 2014 a gender-sensitive Social Protection Policy Framework was adopted in Grenada and a gender-sensitive Social Development Assistance Act in St. Kitts and Nevis (UN Women 2015c). In St. Lucia, several initiatives were undertaken, including a gender-sensitive National Social Protection Policy and Strategic Action Plan, as well as a Budget and Fiscal Space Analysis for Social Protection.

In Guyana, several social sector programs aim to improve gender equality and women's empowerment. Guyana's 2014 Beijing+20 Report synthesizes the general sentiment toward gender mainstreaming: "In general terms, budgetary allocations in Guyana are targeted towards gender equality and women's empowerment across all sectors. Government is of the view that budgetary support for social sector spending on water, health, education, housing and human services, etc., targeted at the poor and vulnerable, benefit women" (Government of Guyana 2014). Within the context of Guyana's Poverty Reduction Strategy Program, budgetary allocations for the social sector—health, education, water, housing, labor, human services and social security, Amerindian affairs—assumed 34.5 percent of the 2014 national budget. Specific social protection programs targeted at females include the public assistance program, the universal old-age pension, the single-parent assistance program, the Women of Worth project,[7] the universal school uniform program, and the school feeding program.

In addition, the government has stressed access to affordable shelter as a priority, helping low-income households acquire property. One aspect of this has been the implementation of a program to regularize squatter settlements. It has been noted that women in particular have benefited from this program, acquiring land under concessional terms. The Ministry of Housing reported in 2014 that in the previous five years 50 percent of all people who applied and were allocated government low-income house lots were women (Government of Guyana 2014). The program has been hailed as a major achievement.

National Gender Policies in the Caribbean

A more recent trend in the Caribbean to incorporate gender-based considerations into public administration processes is the development of national gender policies. As noted earlier, Belize, the British Virgin Islands, the Cayman Islands, Dominica, and Jamaica now have such policies (Hosein and Parpart 2014).

A more recent example is the National Policy on Gender Equality of Jamaica approved in 2011 and developed through a broad consultative process over seven years. The policy aims to reduce all forms of gender-based discrimination; strengthen institutional mechanisms to mainstream gender in all social, political,

[7]The government of Guyana established the Women of Worth project in 2010 in partnership with a locally owned commercial bank. The project aimed to facilitate women's participation in the economy by providing small business loans as start-up capital to single mothers (Government of Guyana 2014).

and economic institutions; and to improve the public sector's capacity to monitor gender-responsive plans and programs (Bureau of Women's Affairs 2010). To achieve these goals, the policy calls for specific strategies, including gender-responsive budgeting.

Policies such as these highlight how gender budgeting can ultimately support the goals of gender equality and indeed wider social and economic development. The challenge is to find specific and practical entry points for the incorporation of gender budgeting in planning. One often ignored area is taxation policy.

Gender Equality and Tax Policies in the Caribbean

The impact of tax regimes on males and females can differ, and, in the Caribbean, this is more likely to occur through indirect taxation. For example, in 2015 St. Kitts and Nevis removed a 17 percent value-added tax (VAT) on all food, medical, and funeral expenses. This provision was made in part to ease the tax burden of female-headed households (Government of St. Kitts 2015). Alternatively, in Trinidad and Tobago a one-year Baby Care Grant was introduced in 2014 to assist mothers; it provided 500 Trinidadian dollars a month to qualifying parents (Government of Trinidad and Tobago 2014a). In both cases, while the differential impacts by sex may be expected, no current analysis offers evidence of the impacts of these types of initiatives.

While the same can be said of the gender implications of Caribbean tax policies generally, Christie and Thakur (2015) provide an alternative example. Their research examined the case of Jamaica and the discourse on taxation reform in that country. One proposal for reform was to reduce the number of goods exempted under the current VAT regime. However, because of the different patterns of consumption between female-headed and male-headed households, the former was more likely to face a greater tax burden because of this proposal (Christie and Thakur 2015).

Similar findings of differential impacts of the tax system on male- and female-headed households for a cross-section of developed and developing countries were reported by Grown and Valodia (2010). Such studies can help assess the potential for tax reform to be revenue neutral and help achieve gender equitable fiscal policy goals. Indeed, similar studies as that of Jamaica could be of significant benefit to other Caribbean nations. These studies would underline tax reform as a potential entry point for a broader gender budgeting program.

Potential for Gender Budgeting in the Caribbean

Another issue of significance in the Caribbean is what has been labeled "male marginalization" (see Miller 1986). This refers to the state where the socialization of young males, in particular, can make them eschew the formal education system as a means for securing a career and livelihood. This leaves them less interested in and less prepared for school than girls. This is most evident in the secondary education system (see Table 7.1, where the gross secondary enrollment [female-to-male ratio] is particularly high for the Caribbean countries). In fact, the contrast is greater at the tertiary level, where females outnumber males by 2 to 1 in some cases. However, this presents an opportunity for gender budgeting, as education budgets and programs could benefit from an assessment of the differential impacts on boys and girls, particularly where improving the educational participation and outcomes of boys is important. This could also highlight that the issue of "gender" does not refer to women only, a common misconception in the region.

Drawing on the experiences of other middle-income countries can also identify other opportunities for introducing gender budgeting in the Caribbean. For example, Bolivia's and Ecuador's initial experiences in gender budgeting were at the municipal level before going national (Fragoso and Enriquez 2016). A similar approach could be taken in the Caribbean. Gender budgeting at this level may be more politically feasible, while also providing the opportunity to showcase its benefits, even on a small scale.

Finally, it is important to recognize that at least one part of the Caribbean has a tradition of formulating and implementing regional fiscal policy, as is the case for the Eastern Caribbean through the OECS and its related institutions. This has led to coordination around fiscal policy such as a harmonized approach to the application of VAT. Such forms of regional cooperation present an opportunity to benefit from gender budgeting at the subregional and regional levels.

CONCLUSIONS

This chapter has reviewed the common development challenges most of the 24 countries across the Caribbean and Pacific islands face as small island developing states, as well as their differences in socioeconomic trends, political histories, and remoteness.

Both regions share experiences in gender inequality. This includes a wage gap favoring men, limited political representation by women in most countries, gender-based violence, and patriarchal norms that continue to drive these inequalities. At the same time, nongovernmental organizations, in particular, have been able to lobby and work with governments to enact policies and laws that can help reduce such inequalities.

Our analysis also pointed to how the regions have embraced and implemented gender budgeting in different ways. In the Pacific islands, the Asian Development Bank led a major effort in the early 2000s. More recently, a broad range of organizations has supported the initiatives in Timor-Leste, which we identified as having the most advanced gender budgeting initiative among all countries reviewed here. In the Caribbean, there have been no significant gender budgeting initiatives to date. At best, various pilots and training in gender budgeting have taken place at different periods. These have coincided with major thrusts by international development partners to promote gender budgeting in the region. The earliest was led by the Commonwealth Secretariat in the late 1990s, and the more recent by UN Women.

Gender budgeting initiatives that are no longer ongoing in Fiji, Marshall Islands, and Samoa can best be described as pilot projects. How can we explain this pattern? One possibility is the relationship between gender budgeting initiatives and international development interventions. Unlike other initiatives to promote gender equality, such as legislation on domestic violence or national gender policies, which were often initiated by local women's movements, gender budgeting initiatives in the Caribbean and Pacific were often funded and initiated by international actors. That does not mean they had no local support; instead they often resulted from a partnership with an international development agency and a local nongovernmental organization (again a relationship typical of international development). An example of this was the gender budgeting pilot in the Marshall Islands, where the ADB and its consultants partnered with the local nongovernment organization, Women United Together Marshall Islands, and the government to implement the pilot.

For other countries with gender-budgeting-related experience, this primarily took the form of capacity-building projects that included objectives to raise awareness about gender budgeting in selected countries. A final set of countries had no real gender budgeting experience of note, but did have several experiences in promoting gender equality, including the adoption of national gender policies, passage of legislation, and other programs.

Among the major lessons learned, Timor-Leste's experience warrants particular attention. Early institutionalization of gender budgeting there was important to the sustainability of the process. For example, the 2009 Parliamentary Resolution gave an early legal basis to gender budgeting while the use of Annual Action Plans allowed line ministries to incorporate gender budgeting into their operations. In addition, the Timor-Leste experience illustrated the benefit of applying gender budgeting across ministries and, in so doing, highlighted its utility for sectors outside of government agencies specifically responsible for gender. Other important factors that can support gender budgeting include high-level political support, adequate capacity building and training, and alignment with the country's larger national development goals.

Our analysis also highlighted the barriers to further implementation of gender budgeting. A government official in the Caribbean noted that significant work was already being done to support women (CDB 2014). Similarly, according to a nongovernment organization, the minister of finance in Fiji suggested that one challenge was to get more lawmakers to appreciate the importance of gender budgeting (femLINKpacific 2013).

As with most gender equality issues, many decision-makers need to be convinced that a problem exists in the first place. This is compounded because some policies have implicit but no obvious differential impacts on men and women. Yet this is precisely the kind of role and data that gender budgeting can provide.

While very few examples exist of current gender budgeting initiatives in the countries reviewed here, gender budgeting still has a role in these countries. No single ideal gender budgeting strategy is applicable to all countries (Chakraborty 2010), more so given the diverse needs of the Caribbean and Pacific countries.

Ultimately, arriving at a strategy for integrating gender budgeting into ordinary and routine public administration processes will require a combination of strategies mentioned throughout this report ranging from links to national development plans, realistic time expectations for achieving results, capacity building, leadership, and regional coordination.

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ANNEX 7.1. GENDER BUDGETING IN TIMOR-LESTE DATA TEMPLATE

ANNEX 7.1.

Gender Budgeting in Timor-Leste Data Template

	Timor-Leste
ORIGINS	
Does the government have a gender budgeting initiative?	Yes
If yes, start year	2009
If any, end year	
Supported by international organizations or bilateral aid agencies	Yes
Tied to MDGs or national development plan or gender equality strategy	Yes
SELECTED COMPONENTS OF FISCAL POLICY	
Focus on spending	Yes
Spending focus on key human development (education, health)	Yes
Spending focus on physical infrastructure (transport, water, electricity, energy)	No
Spending focus on justice and security (violence against women, judicial assistance)	Yes
Spending focus on jobs, entrepreneurship, wages, etc.	No
Structural reforms in spending (subsidies, transfers, incentive or distributional objectives)	Yes
Focus on revenue	No
Personal income tax focus	No
Other tax focus, including general or selective sales and trade	No
INDICATORS TO PLACE GENDER BUDGETING IN THE FISCAL PROCESS	
Broad statement of goals of minister of finance	Yes
Gender budgeting statement in budget documentation	Yes
Gender budgeting circular or related to instruct the bureaucracy	Yes
Gender budgeting in planning and programming	Yes
Gender budgeting outcome report or audit	No
Explicit reporting on gender equality spending	No
LEGAL BASIS	
Gender budgeting has constitutional standing	No
Gender budgeting is incorporated in organic budget or other finance laws	No
ROLE OF GOVERNMENT	
Ministry of Finance lead entity	No
Other ministries play consequential role, and which	Yes; the secretary of state for the support and socio-economical promotion of women
Subnational government	Yes
ROLE OF CIVIL SOCIETY	
Significant encouragement or participation of civil society	Yes

ANNEX 7.2. OTHER PACIFIC ISLAND COUNTRIES

Marshall Islands

Overview

The Republic of the Marshall Islands (RMI) is a lower-middle-income country with limited natural resources and an economy primarily driven by the public sector and social services. The economy is dependent on aid and a key donor is the United States through the US Compact of Free Association. Through this agreement, which lasts until 2023, the country receives annual funding to support the domestic budget (SPC 2012).

The Marshallese have a matrilineal culture, which implies that land was typically inherited via the mother. However, the transition to a more modern culture has meant that this practice is not as widespread as before (SPC 2012). The RMI has one of the highest teenage pregnancy rates among the Pacific island countries. Other gender disparities include a lack of access to adequate health care; a 2002 household expenditure survey found that 80 percent of women experienced this problem (SPC 2012). In addition, men still dominate decision-making spaces such as the national parliament, with RMI having one of the lowest rates of female representation globally (Sharp and others 2009).

Other significant disparities are observable in education. For example, although girls and boys are almost equally likely to attend primary school, girls are less likely to remain enrolled in secondary and tertiary level institutions (Sharp and others 2009). This in turn has an impact on employment levels, with female unemployment at 37 percent compared to 28 percent for males in 2007 (SPC 2012). These problems are compounded by a gender wage gap, particularly in the non-agricultural sector (JICA 2009). Another major problem is violence against women. The Secretariat of the Pacific Community has cited studies indicating that 22 percent of all women have experienced physical violence in the past 12 months (SPC 2012).

Similar to the experiences of other countries in the region, civil society groups have been active in addressing these challenges. Women United Together in Marshall Islands, established in the 1980s, is one such organization. It is an umbrella group for women's groups in the country and works closely with the government and its underresourced Gender in Development Unit within the Ministry of Internal Affairs. Women United Together in Marshall Islands has been one of the main organizations working toward greater gender equality in the country and helped advocate for the passage of the Domestic Violence Prevention and Protection Act 2011 in compliance with CEDAW, the Convention for the Elimination of All Forms of Discrimination Against Women (Government of Australia 2014).

Other initiatives that promote gender equality include amendments to the Child Abuse and Neglect Act (in 2004); the Births, Deaths and Marriages Act (in 2002); and the Education Act (RMI 2014). Perhaps more important was the National Gender Policy, which was endorsed by the government in February

2015. The policy outlines major goals and targets for achieving gender equality across a range of sectors. This includes leadership and political participation, economic participation, health care, education, and training. It also seeks to reduce gender-based violence and create more gender-responsive programs within the government (RMI 2014).

Gender Budgeting

Of relevance here is a pilot project on gender-responsive budgeting implemented between 2002 and 2003. The project was funded by the Asian Development Bank (ADB) as part of a regional program (Youth and Gender Sensitive Public Expenditure Management in the Pacific) to support gender and development in the Pacific island countries. There were three main goals of the project: promote transparency and accountability on issues of gender and youth, raise awareness about gender/youth issues and budget impacts, and develop policies and budgets that are gender/youth sensitive (Sharp and Dev 2004).

The approach used was to divide implementation into two stages. The first stage, led by the ADB and its consultants, started with a gender-based assessment of the RMI and involved a series of training and awareness-raising workshops on the issues of gender budgeting. A total of three workshops were held, the first two part of the first phase of the project. The first workshop was for government agencies and focused on helping participants to understand gender issues in the RMI and the potential direct and indirect gender-based impacts of programs run by their ministries and agencies. This was complemented by the second workshop that was for nongovernmental organization participants. More specifically, these workshops included activities that showed how budgetary processes can impact social and economic outcomes for men and women. In so doing, the aim was to make participants better able to advocate for gender-responsive budgets.

The second stage of the project was designed by the Marshallese stakeholders. This was led by a steering committee comprised of representatives of the Ministry of Finance, a representative of what is now referred to as the Gender in Development Unit, and a representative from Women United Together in Marshall Islands (Sharp and Dev 2004). The committee decided to focus on the increased awareness and capacity around gender budgeting on a single issue that was perceived to be important across the country. They decided to develop a program on teenage pregnancy with the aim of changing public budgets to better respond to this issue. As noted earlier, this is a significant problem in the country.

Impacts of Gender Budgeting

Ultimately, however, this project did not lead to any further significant changes in the government's budgetary or planning process (Sharp and others 2009). There were several reasons for this, such as competition in the administrative ownership of the teenage pregnancy program, and a lack of commitment by the Ministry of Finance (which was complicated by a change in administration during the project) (Sharp and Dev 2004). Nevertheless, the project raised awareness about gender budgeting using the challenge of teenage pregnancy as an entry point. It also promoted the use of statistical analysis to better understand gender issues, and it pointed to the need for interagency cooperation in pursuing gender-related challenges (Sharp and Dev 2004).

Sharp and Dev (2004) identified several lessons that we can learn from this pilot project. For example, they note that while one year may be sufficient to raise awareness and train people on gender budgeting, it is not enough time to change the budgeting process. Other factors include an appreciation of the political context; in this case the context included understanding the bureaucratic relationships between the Ministry of Finance and other ministries and the need for inclusion of local nongovernmental organizations, which was crucial to the limited success of the project.

Fiji

Overview

Fiji is a small island nation with a diverse population and one of the largest island economies in the Pacific region. The gross national income per capita in 2013 was higher than the average of $3,460 among Pacific island small states for that period (Government of Fiji 2014a). As with most developing countries, the government's initial emphasis on gender issues was to focus on service delivery for women. This eventually evolved into an additional focus on policy with the establishment in 2009 of the Department of Women in the Ministry of Women, Social Welfare and Poverty Alleviation (Government of Fiji 2014a). In that year the government also updated its existing National Women's Plan of Action to cover the years 2010–19. The main priority areas of the Women's Plan of Action 2010–19 are: Formal Sector Employment and Livelihood, Equal Participation in Decision-Making, Elimination of Violence Against Women and Children, Access to Basic Services, and Women and the Law (Government of Fiji 2009).

Despite this focus, gender-based violence remains prevalent, with one 2011 survey suggesting as much as 64 percent of women in an intimate relationship reporting that they experienced some form of physical or sexual violence (ADB 2014b). Although women and girls have higher enrollment rates in education than males, the female (15 years and older) labor force participation rate (34 percent) in 2010 was much lower than that of males (65 percent) (ADB 2014b). It should be noted that there are also differences in the experiences of rural and urban women in terms of domestic violence, poverty, and access to justice (ADB 2014b).

In reviewing the progress and challenges related to women's development, the government has consistently and publicly stated its intent and support for improving the status of women in Fiji (Government of Fiji 2014a). Perhaps the most recent expression of this intent was the 2014 National Gender Policy for the Republic of Fiji, with a stated goal of removing all forms of gender inequality in the country in keeping with its commitment to the Convention on the Elimination of Discrimination against Women (CEDAW), among others (Government of Fiji 2014b). Of note, the policy calls for the government to:

> Introduce Gender Responsive Budgeting and gender audits in the planning, implementation, evaluation and monitoring of the national budgetary process and promote gender responsive budgeting by development practitioners to ensure optimum benefits to rural and urban women.

Gender Budgeting

Fiji was the first Pacific island country to engage in gender budgeting, albeit in a short-lived project sponsored by the Commonwealth Secretariat in 1999. That project emerged as part of the civil society–generated momentum around the first Fiji Women Plan of Action (1999–2008) but was disrupted before any major activity began, in part because of the military coup in 2000. Indeed, while Fiji has been recognized as having a vibrant women's movement, much of its influence has been attenuated by the four coups since 1997 and the associated periods of authoritarian rule (George 2012). Throughout this period, any progress made in implementing a sustained gender budgeting initiative has been limited (Costa and Sharp 2011).

One example is a gender audit that was conducted on the Ministry of Agriculture, Sugar and Land Resettlement, which was part of a larger project to support the Fijian government's effort to implement the Women Plan of Action (1999–2008). The project was implemented between 2001 and 2003 and supported by the ADB (Agriteam Canada 2015).

The specific goals of the audit were to (1) assess the differential impacts on males and females of the Ministry of Agriculture, Sugar and Land Resettlement 's policies and programs, and (2) identify ways to make the work of the ministry more gender responsive and more collaborative with that of the Ministry for Women, Social Welfare and Poverty Alleviation (Government of Fiji 2003). Within this project, gender budgeting was indirectly addressed in terms of overall planning and budgeting within the agricultural sector.

The audit also included a review of the policy process that led to the formulation of the country's food security policy. As with most developing countries, food security is a major concern for the Ministry of Agriculture, Sugar and Land Resettlement, and this emphasis highlights several ways in which a gender analysis is important. For example, one challenge is accurately assessing the economic contribution of women's (unpaid) work in households that engage in subsistence farming—where such contributions are often viewed as synonymous with their role as mother and wife and therefore not viewed as economically productive (Government of Fiji 2003).

Some of the key areas of focus of the audit included the main goals and objectives of the Ministry of Agriculture, Sugar and Land Resettlement, human resources and distribution of staff in key functions, and the policy development process. The audit also looked at how gender considerations could be better incorporated into the eight key performance areas of the ministry's corporate plan at the time. These were executive services (that is, monitoring and evaluation, and human resource development), crop extension, livestock extension, drainage/

irrigation, center of excellence, land-resource planning, sugar sector, and quarantine.

In looking at the policy development process, the audit noted that planning in general followed a top-down model, although there were attempts to introduce more participatory approaches in planning. In general, the budget process starts in March each year and continues until the budget is presented in parliament in November. The Ministry of Agriculture, Sugar and Land Resettlement and other ministries do not assess the differential impacts of budgetary allocations on males and females.

One key performance area that the audit covered, and is of particular relevance when considering how to introduce gender budgeting, is monitoring and evaluation. Here the audit highlighted the lack of sex-disaggregated data within the ministry (and indeed the government). This attenuates any effort at gender-based monitoring and evaluation and gender budgeting specifically. In fact, it recommended that the ministry should ensure that all of its data collection and research activities be modified to address this problem.

The audit went further by also pointing to some of the structural problems that inhibit gender mainstreaming in the ministry. This included a lack of political will as well as awareness and appreciation of the importance of including gender analyses in the planning process. This applied to both senior and other staff in the Ministry of Agriculture, Sugar and Land Resettlement. In addition to raising awareness the audit pointed to the need for specific skills and training on gender-responsive planning, which could also include gender budgeting.

Impact of Gender Budgeting

In sum, while the gender audit of the Ministry of Agriculture, Sugar and Land Resettlement did not result in subsequent implementation of gender budgeting, it did make important recommendations for raising awareness of gender mainstreaming, providing training, and modifying data collection strategies. It also highlighted several ways in which gender-responsive planning could be better incorporated into the work of the ministry. The ADB's own assessment noted that getting the endorsement and commitment of senior managers throughout the audit process could have ensured that it would have had a greater long-term impact (ADB 2014c).

Perhaps one positive outcome was that following the audit, the Ministry of Finance included the question on differential impacts of budgetary allocations on males and females in its 2003 Expenditure Proposal. This meant that each line ministry was then required to conduct this kind of assessment (Government of Fiji 2003). However, as Sharp (2005) observed, this inclusion was not accompanied by any provision of incentives and/or penalties to encourage reporting and action. Thus, it is unclear what impact (if any) it had. It is also unclear if any of the recommendations of the audit itself were implemented.

More than a decade later, gender budgeting does not yet exist in Fiji. As one nongovernmental organization reported in 2012, the minister of finance suggested that one of the reasons for this is the lack of awareness among policymakers about the nature and importance of gender budgeting. Furthermore, the minister suggested that other problems included the lack of sex-disaggregated data and existing religious and cultural norms in the society (femLINKpacific 2013). There is currently, as noted earlier, an emphasis on budgetary allocations toward gender initiatives such as the work of the Ministry for Women, Social Welfare and Poverty Alleviation (Government of Fiji 2015). As femLINKpacific argues, achieving gender equality requires more than these types of budgetary allocations; instead allocations should be directed toward changing policies and structures (femLINKpacific 2013). This is, in effect, the rationale behind the as yet unheeded call for gender budgeting within the National Gender Policy and the Women's Plan of Action 2010–19. Unfortunately, a recent (2015) budget address made no reference to gender budgeting, but instead highlighted increased allocations to support the work of the current Women's Plan of Action (Government of Fiji 2015).

Samoa

Overview

Samoa is a Polynesian Pacific country located northeast of Fiji and west of the Cook Islands. It is a small island developing state with a population of 191,800. Samoa was the first Pacific island country to achieve independence in 1962. Since then it has maintained a stable parliamentary democracy (DFAT 2015). Transparency International ranks it 50th among 175 countries in terms of corruption in the public sector, with a score of 52/100. Samoa has a small, open economy that is heavily based on subsistence agriculture, remittances, and foreign aid (DFAT 2015). The economy is highly vulnerable to natural disasters and other external shocks. For example, the economy was hurt by the 2008 global recession, the 2009 tsunami, and, more recently, Cyclone Evan in December 2012 (DFAT 2015). Gross national income per capita was $5,600, on a purchasing power parity basis, in 2014.

The Samoan economy is dominated by subsistence farming, which comprises approximately 67 percent of the adult workforce. In the formal economy, the government is the largest employer, and women account for close to 53 percent of the total public service (UN Women n.d.). Samoa is among the better performers among the Pacific countries on women's participation in the political arena, with women holding 6 percent of seats in the assembly (World Bank 2015).

In March 2012 the government amended the constitution to reserve 10 percent of seats in parliament for women. This was a temporary special measure designed to alleviate historical bias at the national political level (Secretariat of the Pacific Community 2015b). Since then, a 2013 amendment to the Samoan constitution required at least five female members of parliament (10 percent), and if this is not the result from the election, the number of seats in parliament is to be increased. This was invoked in the recent March 2016 elections (Pacific Women in Politics 2016).

Samoa is a signatory to a range of international and regional commitments that make gender equality a priority.[8] Nevertheless, the Secretariat for the Pacific Community notes, "while significant progress has been witnessed in many areas, challenges remain where women continue to be under-represented in governance and development processes, and experience discrimination and diminished opportunity in virtually all development sectors" (Secretariat of the Pacific Community 2015b, 5).

Gender Budgeting in Samoa

Samoa was one of the first Pacific island countries to engage in gender budgeting, but it has made limited progress since the initial initiative. In 2002–03 Samoa (along with the Marshall Islands and Fiji) participated in a pilot initiative sponsored by the ADB. The main aim of the initiative was to "improve Public Expenditure Management by integrating a gender and youth perspective into governments' budget policies" (ADB n.d.). At the time, Samoa had undergone extensive public sector reforms, including output budgeting and strategic planning (Costa and Sharp 2011). The ADB pilot initiative was designed to incorporate gender budgeting within the context of the ongoing policy and budget reforms, using the national budget as a natural entry point (Sharp 2004). In Samoa, at the time, a new youth policy had just been developed, but its budget was not yet allocated nor activities prioritized. The youth policy thus served as an appropriate testing ground for gender budgeting. The pilot initiative took a multidimensional perspective, focusing on the nexus between youth and gender, while drawing on the frameworks, tools, and strategies of gender budgeting (Costa and Sharp 2011). Chakraborty (2010, 18) notes that "such disaggregation of budgetary policies, not only by sex but also by age groups, has been the significant contribution of the Samoan experiment."

To spearhead the pilot in Samoa, an international consulting firm was engaged (ADB n.d.). The team adopted a strong participatory approach, and consulted government and civil society, including NGOs. The consultant also organized an intensive in-country training and mentoring program in budgeting. One successful aspect of the pilot project was to have several ministries working together in a cross-ministry coordinating team, headed by a senior Ministry of Finance official (Costa and Sharp 2011). Sharp (2004) writes that "the opportunities provided by the pilot projects to network and collaborate among ministries led to an appreciation that all ministries have a stake in promoting better gender outcomes" (Sharp 2004, 14). However, while this was a significant accomplishment of the pilot initiative, failure to develop the institutional mechanisms to embed such processes into the budgetary and policy decision-making processes meant that the efforts were not sustained after the pilot.

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[8] Samoa has signed CEDAW, the 1995 United Nations Beijing Platform for Action, the Commonwealth Plan of Action for Gender Equality, the Revised Pacific Platform on Advancement of Women and Gender Equality, and the Millenium Development Goals (SPC 2015b).

Impacts of Gender Budgeting in Samoa

A final evaluation rates the pilot initiative as successful in terms of the progress toward the initial goal of raising awareness and contributing to greater transparency of gender and youth issues in policies and budgets (ADB n.d.). However, Sharp (2004) makes a more critical assessment, acknowledging that a 15-month pilot initiative was not long enough to achieve significant and sustainable changes to the budget and policy decision-making process. Sharp conceded that the gender budgeting initiative did raise awareness of gender issues within the government, but often the people who achieved this understanding were not necessarily the ones with the authority and power to make changes.[9]

While raising awareness is important, Sharp (2004) maintains that the linchpin for sustained gender budgeting is promoting government accountability, without which there is no basis for sustained action. Without the political will and support of those in top leadership positions, the initiative will not be sustained beyond the period of financial support from international donors. This kind of political will and government ownership of the program was lacking in Samoa. The project steering committee tried to establish a high-level budget committee with responsibility for screening and prioritizing budget proposals with significant social impacts. However, this did not materialize during the short tenure of the pilot. Since the completion of the pilot project in 2003, only limited progress has been made on gender budgeting.

Current State of Gender Budgeting in Samoa

While gender budgeting is not currently taking place in Samoa, recently there has been renewed push toward gender mainstreaming, with the likelihood of gender budgeting being one strategy toward its accomplishment. In 2013 the government of Samoa underwent a stocktaking of its capacity to mainstream gender. The aim of the stocktaking was to analyze the extent to which there is an enabling environment for gender mainstreaming in Samoa (SPC 2015b). The assessment was the initiative of the Secretariat of the Pacific Community, in collaboration with the government of Samoa and with support from the government of Australia.[10] The assessment resulted in a proposed Gender Program to strengthen gender mainstreaming processes across the public service. In fact, the Ministry for Women, Community and Social Development—the main women's machinery for Samoa—noted that the government of Samoa recognized "the need for a

[9]For example, Sharp noted that gender budget initiatives require the support and participation of the Ministry of Finance as well as the finance minister, but the culture, skills, and perceived priorities of the Ministry of Finance in Samoa severely constrained the contribution of even well-intentioned individuals in this ministry. She concluded that this pointed to the need for additional capacity building among key participants to forge stronger links between raising awareness about gender issues and the everyday work of these ministries (Sharp 2004, 12).

[10]The stocktaking was a regional initiative led by the Secretariat of the Pacific Community involving 22 countries from the Pacific and territories.

more coordinated and strategic approach to addressing gender mainstreaming, not just by government but by all development partners collaborating with the Government of Samoa" (SPC 2015b, 2).

One of the proposed measures to enable gender analysis is the standardized collection of sex-disaggregated data, with an emphasis on a set of core minimum gender indicators in relevant areas (Government of Samoa, 2015). Already work has started in this area with the 2013 Samoa Education Statistical Digest providing sex-disaggregated data and analysis in terms of school enrollment. Furthermore, the Police Domestic Violence Unit, with help from UN Women, has compiled sex-disaggregated data on domestic violence and sexual abuse (SPC 2015b). Additionally, the Cabinet Development Committee's decision to introduce gender analysis as a requirement for any aid project proposal should further help to lay the groundwork for gender budgeting.

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Fiscal Policies and Gender Equality

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