

# **The Potential of Gender Budgeting: Has its Day Come?**

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Panel on “Democratizing the Budgetary Process”  
Association for Budgeting and Financial Management annual conference  
October 12, 2002  
Kansas City, Missouri, USA

*“Budget reform bears the imprint of the age in which it originated” - Charles Beard<sup>1</sup>*

## **I. Introduction**

### *A. What Is Gender Budgeting?*

“Gender budgets,” “gender-sensitive budgets,” and “women’s” budgets” are all terms used interchangeably to describe budget processes and tools that can be used to assess gender-specific impacts of government budgets. We use the term “gender budgets” in this discussion.

### *B. The Origins of Gender Budgeting and its Focus*

In 1984, Australia was the first country to introduce a gender-sensitive budget as a pilot project. Although it is not clear from the literature exactly what countries have attempted “to do” in preparing a gender budget, it appears that several nations have moved or are moving in this direction: Barbados, Fiji, Kenya, Mozambique, Namibia, Philippines, South Africa, Sri Lanka, St. Kitts, Switzerland, Tanzania, Uganda, The United Kingdom, Zambia and Zimbabwe (Unifem, 2000). Note the preponderance of Commonwealth countries.

While it is also not clear exactly what the focus of a gender budget is or should be, it is probably safe to say that they are generally focused on the analysis of public expenditures and revenue from a gender perspective, identifying the implications for women/girls compared to men/boys. Cagatay et. al. (2000) write that, “the ultimate goal of these various budget initiatives is to come up with reprioritization of both expenditures and revenue-raising methods in order to promote social justice.” (p. 14)

## **II. Literature Review**

### *A. Existing Literature and Efforts Inside and Outside Government on Gender Budgeting*

Recently, a literature on what can be called the feminist approaches to public administration has emerged (Stivers, 1993, 2000; White, 1995, Hendricks, 1995). However Orosz comments that, “[t]his narrative appears to be virtually non-existent in the subfield of public budgeting and finance.” (Orosz, 2001, p. 135). While the gender budget movement does not appear to be grounded in feminist ontology, it could become a practical manifestation of this

theoretical perspective (Eikenberry, 2001).

## *B. Some Examples of Gender Budgets*

### 1. Australia

The first gender budget exercise was undertaken in Australia in 1984. It resulted in a comprehensive analysis of federal expenditures (but not revenues). However this effort was shut down in 1996. Cagatay et. al. write, "One of the lessons of the Australian case is that gender-sensitive budgeting exercises which are not 'owned' widely by civil society groups are vulnerable to ideological shifts within the state." (Cagatay et. al., 2000, p. 40).

### 2. Philippines

The initiative in the Philippines began in 1994. It required agencies to allocate at least 5% of their budgets to "the development, implementation, monitoring, and evaluation of gender and development plans." (Cagatay et. al., 2000, p. 41) A national commission has published an analysis of expenditures for 19 agencies. Issues that had to be addressed were: need for technical assistance, difficulty monitoring agency performance, and resistance from budget officers.

### 3. South Africa

The process began in 1997, with the participation of several agencies, including revenue collection as well as spending agencies. Measures to improve data collection were necessary. "The experience of South Africa indicates that engendering the national budget is a process which has to be developed over a period of time." (Commonwealth Secretariat, 1999c, p. 1) However it does appear to be having an impact, both in statements of the Director-General of Finance and a gender-sensitive national budget address. Selected areas of the budget disaggregated spending by gender. "This aim is to focus attention increasingly to government outputs and the impact of government expenditure." (Ibid.)

### 4. Sri Lanka

In Sri Lanka, five ministries were selected in 1998 to examine the gender impact of recurrent spending, as well as the gender distribution of public sector employment. One common finding was "that a proper mechanism is to be developed to collect data disaggregated by gender. The procedures and mechanisms identified in this study to gather information as a continuous process will be used in future policy formulation (Commonwealth Secretariat, 1999b, p. 2). It is reported that measures to reduce gender bias have been undertaken in the education, agricultural and industrial sectors (Ibid.)

As gender budgets have been implemented, the developing strategies have been: (1) improve the analytical tools and sources of data to justify changes in of the distribution of both revenues and expenditures between the genders, and (2) to mobilize social groups to become informed and persuasive advocates. It is hoped that these two strategies will be mutually reinforcing (Cagatay et. al., p. 46).

### III. Analytical Issues

Several difficult analytical issues are raised by gender budgets. Here, we highlight some of the major considerations.

#### *A. Revenues*

Government revenues can be divided into five major categories: direct taxes, indirect taxes, user fees, intergovernmental aid, and debt. Breaking down direct taxes by gender would require disaggregating data by taxpayer. However since many taxes (such as most personal income taxes) are assessed on the family unit, rather than the individual, we would need data (or at least estimates) on how family income, exemptions, credits, etc. are divided by person. The U.S. federal income tax, for example, could disaggregate income by individual, but for many of the adjustments in the calculation of taxable income it would be more difficult to do so.

Indirect taxes, such as excise taxes on alcohol, tobacco products, and gasoline, are not levied on persons and so direct calculation is not possible. It would be necessary to estimate the impact of these taxes by looking at consumption patterns. In the U.S., the Consumer Expenditure Survey by the Census Bureau would allow for good estimates of the incidence of these sorts of taxes.

User fees in many cases could be disaggregated by gender, although this might be costly to do. For example, tuition and fees paid by students at public universities could easily be disaggregated. On the other hand, admissions fees paid in cash would require either disaggregation at the collection level. If this failed, they would have to be estimated by random counts or analysis of consumption data.

Intergovernmental revenues would be easy to estimate if one knew the gender breakdown of the donor government's revenues. If not, this would be a question mark. Debt revenues would be difficult to estimate in many cases. If the debt were general obligation debt, it would require estimates of future tax burdens by gender. It might be easier to estimate in some cases with revenue debt, as these revenue sources are often drawn from specific consumption items such as transportation, admissions fees, and educational consumption.

#### *B. Expenditure analyses*

In a gender analysis of expenditures, a critical distinction is between the impact of the expenditure and its incidence. By impact, we mean the initial effect of the spending. By incidence, we mean the final economic effect of the expenditure. For example, imagine a maternal and child health care clinic staffed entirely by men. The initial impact of the spending on wages would be 100% male, 0% female. However the incidence of the spending would presumably help women and the infants (who presumably are half boys and half girls) disproportionately, at least in the short run.

We believe that the incidence of spending is the more relevant consideration in most

cases. Determining this incidence is often challenging. In any given social program, for example, there may well be reason to believe that males and females may realize differential benefits; assuming that it is 50/50 is arbitrary. This would then require such a benefit determination for each program in the budget. Similarly, the incidence of benefits for all functions of government would need to be estimated. Do men and women differ in the benefits they receive from police protection? Fire protection? Higher Education? National defense? Clean water and air programs? And so on.

Any budgetary or numerical analysis is only as good as the assumptions and information behind it. This type of analysis could be done, but to do it right would require looking at programs in isolation. But looking at one program at a time is antithetical to the very notion of budgeting, which calls for program comparison and trade-offs. Perhaps after enough analyses had been done, these comparisons could be made. Or perhaps a standard analytical framework could be developed so analysts in each spending agency could “do it themselves”. But many governments do not have this analytical capacity, and such an initiative would require either a major enhancement in this analytical capacity of government, or reliance on contractors. It also requires gender disaggregation of data (Cagatay et. al., 2000, p. 47). It is therefore not surprising that the Commonwealth Secretariat writes that, “no government at the moment produces a budget statement containing [the appropriate] gender-relevant disaggregations...” (Commonwealth Secretariat, 1999, p. 2)

### *C. Gender-based audits and program evaluations*

Krug and van Staveren (2002) identify five nations with experience with gender audits: Australia, Canada, South Africa, Tanzania, and the United Kingdom. Gender audits began as an analysis of “state expenditures and their impact on women” and have evolved into “a more detailed analysis of particular budgets, such as budgets for health care, water supply, or infrastructure.” (Krug and van Staveren, 2002, p. 195). Their goal is to lay bare the assumption that policy is gender neutral. They do so by comprehensive reviews of the impact of government programs, and gender differentials in program outcomes.

## **IV. Gender Budgeting and Budget Reform**

From our perspective as scholars of public budgeting, the gender budgeting movement is a type of budget process reform, following a long line of similar efforts: executive budgeting, planning programming budget systems (PPBS), Management by Objectives (MBO), zero based budgeting (ZBB), target-based budgeting, and performance budgeting. These reform efforts have had varying goals, among them: making the budget process more rational, creating more explicit trade-offs in budgeting, enhancing accountability, weaving planning and budgeting together, shifting the focus of budgeting from inputs to outputs and outcomes, improving the ability to compare the unit costs of programs, and enhancing the ability to cut budgets. These reform efforts have had varying successes among different governments. The conventional wisdom among many is that budget reforms are difficult to implement faithfully, and even if this can be done, the reforms often run aground on the shores of incrementalism and politics-as-usual. However, Alexrod persuasively argues that many of these reforms are in whole or in part implemented with varying names and adaptations, and that some have had lasting and

fundamental influence in government (Alexrod, 1995, pp. 274-319).

What lessons can gender budgeting take from the existing literature on budget reform? The answer will vary for every government that institutes such an approach. Our general comments are speculative at this time. With the appropriate humility of any veteran forecaster, we offer these considerations:

- Gender budgeting would require most government agencies to re-orient their data collection. As discussed above, few budgetary figures are broken down by gender, so for gender budgeting to be faithfully implemented would require the data to support it. That this step has not been taken in most countries is surprising, even to us. Perhaps its time is overdue. But to do a credible gender budget analysis is expensive and lengthy. As discussed above, involved analytical issues are raised by this process. For the numbers to be meaningful requires consensus over issues about which reasonable analysts would disagree. Working through these issues to establish the credibility of the analysis is a necessary step to move gender budgets from being seen as a partisan spin on the numbers to a solid analytical report.
- Nowhere have we seen suggestions that a gender budget would detail all line items or mandate specific appropriations amounts by gender. Rather we understand it to be a focus of policy analysis rather than a budget method *per se*. Such an analytical approach can have an important impact, but that is not the same thing as a format for proposing, considering and enacting the budget. Gender budgeting may be not realistic as a total approach to budgeting in our opinion, but gender-based perspectives on the budget are more so.
- In this sense, the gender budget movement is similar in some ways to ZBB. Ultimately, ZBB has only been practical as a periodic approach to comprehensive program review, rather than an annual integration into the budget process. Similarly, the value of gender budgeting is in collapsing vast amounts of budgetary information into an easily understood percentage division between the two genders. But requiring analysts to estimate these figures every year, and to re-estimate the figures with each change in a legislative committee's mark-up is again, not very realistic.
- Allen Schick has pointed out that the key question for any budget reform is, "did the innovation alter the basis for making budget decisions?" (Schick, p. 91). Will gender initiatives alter the decision-making process in budgeting? Despite the cautionary remarks above, it appears to have the potential to do so. If gender-based analyses reveal what their advocates suspect -- that government fiscal policy is biased against women -- this information will naturally raise questions of fairness. It is not hard to imagine a TV news story or the front page of a newspaper showing pie charts (in pink and blue, most likely) revealing gender inequities in the budget. This information is easily understood by citizens and politicians alike, and could shift the political axis of the debate. However this would only happen if a government and its analysts were committed to this task and willing to back up its proclamations with time and money.

In some ways, then, we see gender budget initiatives as similar to environmental impact statements. These statements are expensive and slow to produce, but they have had lasting impacts on both the process and substance of public policy because enough citizens, lawmakers,

and appointed officials were committed to the ideology behind the method. If (and only if) governments take the same attitude toward gender equity, then gender budget analysis, but probably not a gender budget process, has the potential to alter budgets and policy.

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## Notes

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<sup>1</sup> Quoted in Allen Schick, "The Road to PPB: The Stages of Budget Reform," reprinted in Albert C. Hyde, Government Budgeting: Theory, Process, Politics, second edition, (Pacific Grove CA: Brooks/Cole Publishing Company, 1992), p. 49. The Beard quote is undated in Schick.