

Gender-Responsive Regional Policies: Gender Budgeting



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1 Introduction

Achieving gender equality and empowering all women and girls has been identified by the United Nations as one of the 17 Sustainable Development Goals (SDGs) “to achieve a better and more sustainable future for all” by 2030. The importance of this topic is related to the fact that gender gaps are responsible for significant losses in economic growth, human development, and more generally, sustainable development (Kabeer & Natali, 2013; Moorhouse, 2017; Profeta, 2017, 2020). In fact, eliminating gender inequalities can not only increase female economic participation and boost economic growth but also improve health outcomes for women and children.

Despite the increase in female labour force participation over the past three decades, and the actions that various governments have undertaken at different levels, women still do not have the same opportunities as men to participate in economic activities in most countries (Fruttero et al., 2020). According to the World Economic Forum (2020), the world as a whole has closed only 58% of the gender gap in economic participation and opportunities; the corresponding number for political empowerment is 25% (Casarico & Profeta, 2020). Moreover, at the current rate of progress, the World Economic Forums also estimates that it will take 170 years to close the global gender gap in economic participation and opportunities.

In what follows, we explore various policies implemented by countries to promote gender equality with a focus on gender budgeting. First, we explain the main policies adopted, and show why they are effective. Second, we present some of the main experiences in major European countries, both at the national and regional levels, when available.

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2 Gender Budgeting

Since the mid-1980s, many countries have adopted fiscal policy measures to promote gender equality. The results up to 2015 were certainly positive: gender gaps in primary school enrolment have largely closed across all regions of the globe; progress has been made in reducing gaps in secondary school enrolment; and women's access to healthcare has improved. However, gender gaps in labour force participation rates in most regions of the world are still sizable (Kolovich, 2018).

There are several policies that can help achieve gender equality: childcare initiatives, using fiscal policies to promote female labour force participation, allowing for more flexible work hours and improved labour mobility. Many countries have invested in education and training for women. In doing so, they have improved access to financial services and have reduced legal barriers to women's economic activity.

Among these policies, in advanced economies, there are three main examples of gender-responsive fiscal policies widely used to tackle gender inequality: childcare subsidies, paid parental leave, and a shift from household to individual tax filing.

In the first example, the goal is to reduce the cost of childcare for all middle-class working mothers of preschool children, which increases female labour force participation particularly among low-income families. Moreover, returning to work gives women the chance to gain experience, which increases their wages and boosts overall economic activity. The second is maternity leave: if it is well-designed, it improves inclusion as it benefits women at the bottom of the income distribution who face a relatively larger cost of child-rearing in the absence of parental leave. Finally, changing from household to individual tax filing generates a decline in the marginal income tax of the secondary earner (typically women) and increases the return of participating in the labour force (extensive margin). Furthermore, among women who already participate in the labour market, the shift from household to individual tax filing, generates a large increase in the number of hours worked. See Chapter "Gender-Responsive Regional Fiscal Policies: The Labour Market" for an overview of the gender gaps in the labour market.

One of the most widely implemented policies worldwide is 'gender budgeting'. It originated in Australia in the mid-1980s and spread to Canada, South Africa, and the United Kingdom in the 1990s: as of 2018, more than 80 countries have adopted gender budgeting with varying levels of intensity (Kolovich, 2018). By definition, gender budgeting allows fiscal authorities to ensure that tax and spending policies and public financial management instruments address gender inequality and the advancement of women in areas such as education, health, and economic empowerment. As explained by Kolovich (2018), if well designed, gender 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.

In this chapter, we focus on initiatives that have been undertaken in Europe, where gender budgeting has focused almost exclusively on addressing gender-

related goals through the expenditure side of the budget (Elson, 1998). However, other European countries have incorporated gender-related goals into their revenue and welfare policies which are important areas for women's economic empowerment.

There are various approaches, as illustrated in Kolovich (2018). 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 recommended the fundamental concept of marrying equality policy with economic policy (such as Finland, Iceland, and Sweden).

3 Cases Studies: European Countries

Gender analysis has increased debate on fiscal policy by demonstrating that gender budgeting contributes to good budgeting, which accounts for the social and economic benefits of women's equality and economic empowerment (Kolovich, 2018). In addition, gender budgeting across Europe is almost exclusively associated with the expenditure side of the budget, particularly expenditures related to the delivery of public services. The introduction of gender budgeting in the European Union has had, on aggregate, a positive influence on the development of gender equality policy, not only in the Member States but in the rest of Europe as well. Recent austerity measures have not considered gender equality sufficiently, placing women at a heightened risk of poverty. Indeed, there is a need to consider gender when budgeting in the face of continued austerity. Finally, the following steps should include a greater coordination between gender equality goals and gender budgeting, and the introduction of gender budgeting at regional and local levels of government (with respect to this point, Sect. 3.5 of this chapter presents an overview of some initiatives).

3.1 Spain

Focusing on Spain, the autonomous region of Andalucía offers an interesting and advanced implementation of gender budgeting, which started in 2003 and has been reinforced over the years by other primary legislation and regulations. The 2003 law established two gender budget provisions: first, the regional budget presented to parliament must contain a Gender Impact Report and, second, a Gender Impact Commission (an interdepartmental coordinating body composed equally of women and men) was created within the Ministry of Finance to oversee the execution and approval of the Gender Impact Report (Kolovich, 2018). The Gender Impact Report, a document on the status of gender equality which includes all the developments that have taken place in the year being reported, but it does not record the degree to which

gender equality objectives attached to budgetary programmes meet their goals. Since 2007, this report has to be published for the draft of the Finance bill in order to prioritise budget programmes that are most relevant to and capable of improving gender equality.

The government has also made significant efforts in the collection and management of sex-disaggregated and gender-relevant data, to the extent that in 2015, 50% of those in charge of budgets were trained in the use of sex-disaggregated data. It is especially on the data collection that country has achieved outstanding results: of 282 statistical activities undertaken through the Statistics and Cartography Programme for 2012, 129 were disaggregated by sex; almost 75% of budget staff incorporated sex-disaggregated data into their reporting. The use of gender-relevant indicators has increased year by year, with an increase of more than 22% in the number of indicators used for the 2015 budget compared to the 2014 budget (Kolovich, 2018).

3.2 *France*

France has a long tradition of gender quality legislation in terms of employment and professional life. One of the greatest innovations in 2019 was the launch by the Ministry of Labour of a Gender Equality Index to measure and fight the gender pay gap and other gender-related inequalities at work.

The first explicit reference to gender mainstreaming in national policy documents emerged only in 2000, and in 2012, methodology and tools for gender mainstreaming were developed by the Ministry of Women's Rights. All ministries were required to have a roadmap, with high-level officials in central administrations required to take responsibility for its monitoring, and results presented at annual gender equality conferences. This methodology was implemented between 2013 and 2016. Despite its legal basis, gender mainstreaming increasingly relies on goodwill and inter-ministerial cooperation (<https://eige.europa.eu/gender-mainstreaming/countries/france>).

As far as gender budgeting is concerned, in the early 2000s, two documents foreshadowed a budget dedicated to gender equality policy: the annexes to the Finance Acts containing documents related to gender equality policy, and the gender mainstreaming policy document that deals with inter-ministerial gender equality policy and gathers all programmes with direct or indirect responsibility to gender equality. However, a real gender budgeting procedure will be piloted in several programmes in 2020 before being gradually extended to other programmes.

Unlike Andalucía in Spain, the production of sex-disaggregated data is institutionalised to a limited extent and remains poor. However, in 2013, following the publication of a report that pointed out this aspect, a webpage dedicated to gender statistics was created for the National Institute of Statistics and Economic Studies (Insee) website. Another webpage focusing on women and men in the workplace was created for the Ministry of Labour's DARES (Direction de l'animation de la

recherche, des études et des statistiques) website, while the Ministry of Education's DEPP (Directorate of Evaluation, Forecasting and Performance Monitoring) website dedicated a webpage to girls and boys from school to higher education. There is also a dedicated page on the website of the Secretary of State of Gender Equality, but not on the website of the Ministry of Solidarity and Health (EIGE Europe). Nevertheless, the production of sex-disaggregated data remains unsystematic, and significant sex-disaggregated economic data to support gender budgeting are missing. Notwithstanding the long tradition that France has of gender equality legislation in employment and professional life, gender budgeting falls behind other European countries. However, additional measures to tackle gender inequality, such as gender training, have been implemented in this country. For example, in 2016, the HCE issued a guide to support public communication free from gender stereotypes, and in 2018, the CSEP produced a kit for promoting gender equality in occupational classifications (EIGE, Europe 2022).

3.3 Italy

In Italy, Article 3 of the Italian Constitution enshrines the general principle of equality between women and men. Even so, the progress achieved in gender equality has been mainly driven by the need to adopt the directives of the European Union and to use European funds. Despite progress in legislation since the 2000s, Italy still falls short of achieving satisfactory policy results, mainly due to both the financial crisis and continuing austerity policies that threaten previous achievements in gender equality, and the lack of measures to ensure the implementation of gender mainstreaming (EIGE, Europe 2022).

Gender-responsive budgeting has been promoted by many local governments since the 2000s; indeed, it has been implemented first at a sub-national level, and from 2016 to 2018 also at a national level. The first pilot attempt was made in 2016 to assess the different impacts of budgetary policies on women and men in terms of money, services, time, and unpaid work. A second trial was carried out in 2017 with the aim of achieving a more complete set of indicators on gender gaps and to obtain a clearer picture of the relevant expenditure and activities of each administration from a gender perspective. From the perspective of data gathering, a national directive of 2007 called for the collection of gender-sensitive statistics within public administrations. Since 2008, ISTAT began to integrate the gender dimension into many of its surveys, and many of these surveys, especially those in the social statistics sector, have been conducted on specific gender issues. More recently, surveys on sexual harassment against women in 2007–2009, on maternity and female participation in the labour market, and on women's safety have been conducted to disseminate relevant statistical information on gender issues. Nevertheless, many efforts have been made to improve data collection in a variety of fields, some of which have not yet been explored, such as economics, business, transport, and agriculture, because the gender perspective is perceived as less relevant, even though this is not always the case.

3.4 *Germany*

In Germany, gender budgeting has been in operation since 2003 as a tool for gender mainstreaming, following a decision by the Berlin House of Representatives in 2002 Kolovich (2018). The reason behind its introduction was related to the aim of supporting and promoting female participation in active civil society initiatives. Since 2003, the process of gender budgeting has evolved significantly in Germany, and the most recent version demonstrates a very well-designed integration of the gender-related information used in the budgetary process. The main feature of this approach is the use of a new ‘steering’ tool. As explained by Kolovich (2018), ‘Each chapter of the budget begins with a sex-disaggregated breakdown of public officials employed by the division of the department in 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’. Moreover, the budget shows the number of beneficiaries disaggregated by sex, indicating a trend over a three-year period, and projected targets for the following two years.

As already pointed out, the amount and accuracy of gender information incorporated in the budget has evolved and increased year by year, showing the government’s commitment to this topic.

3.5 *Regional*

Women’s lower wages constitute a highly political and societal issue that persists not only between countries (OECD, 2017), but also between smaller regional units. However, only a few studies have investigated this topic; examples include Murillo Huertas et al. (2017) for Spain, Fuchs et al. (2021) for Germany and Alaimo et al. (2019) for Italy.

In the work about Germany, the authors find that the drivers of gender-specific wage differences can be identified in the structure of human capital and firm-specific factors varying across regions, the different social norms across regions, and the fact that regions differ in sectoral and establishment composition. All of these aspects generate different regional opportunities for both men and women. Their results showed that gender differences in job-related characteristics are important drivers in regions with a high gender pay gap, while individual characteristics come into effect in regions with a low and negative gap.

Additional studies on regional disparities in the gender wage gap, such as Nisic (2017) and Hirsch et al. (2013), have shown that mobility restrictions imposed by partnership ties can be reduced by the size of the labour market. Living in a metropolitan area characterised by large and diverse labour markets may significantly weaken the negative impact of spatial limitations on partnered women. Gender differences in mobility gradually shrank over time, but the reduction was lower in rural areas, which determines a different competitive environment between

urban and rural areas. Finally, regional disparities in the gender wage gap may also arise from differences in the industrial, occupational, and firm composition of regions which contribute to occupational sex segregation like in England and Wales as documented by Perales & Vidal (2015).

Among the countries described above, only Italy and Spain present some degree of gender budgeting at the regional and local levels. This aspect represents, of course, something that should be improved since implementing gender budgeting at the sub-national level—either regional or municipal—plays a crucial role in the effective implementation of gender budgeting: first, because of their informative advantage towards the respective local community; and second, because of their ability to monitor, report, and eventually exchange information with the national office.

In Italy, for example, despite there being a sizeable/substantial heterogeneity in regional territories, several Italian municipalities and provinces have developed ‘gender audits’ (gender budget documents) to support the implementation of local and regional gender equality policies (EIGE, Europe 2022). Moreover, many local authorities have appointed specific political mandates on equal opportunities and equality boards or commissions (with primarily consultative powers) to encourage the implementation of gender strategies.

It is also worth pointing out that Italy is divided over the main economic and social indicators for gender, with the south and the islands on one side and the north and centre on the other. Furthermore, the gender gap indicators show that a limited number of regions (led by Piedmont and Emilia Romagna) are approximately halfway towards the goal, while a larger group is positioned around the Italian average, at one-third of the way towards the goal. All the southern regions (except Sardinia) lagged considerably behind (EIGE, Europe 2022).

In Spain, gender equality and mainstream gender are extremely relevant topics, not only at the national level but also at a local level, since some competences on gender equality policy are shared with the central state, and public authorities and local administrations should cooperate with public authorities to achieve effective gender equality. In detail, each region approves its statute (which is then approved by the Spanish parliament), and local gender equality bodies thus have different structures. Some autonomous communities have created autonomous administrative bodies responsible for gender equality policies, while others have designated a specific department or office; the more committed on gender mainstreaming are Bilbao, Madrid, and Barcelona City Councils, which have incorporated key instruments to implement gender mainstreaming, such as data disaggregated by sex, gender impact assessments, or gender budgets (EIGE, Europe).

4 Conclusions

Throughout this chapter, we have outlined one of the most widely used gender-responsive policies, gender budgeting. It can be defined as the application of gender mainstreaming in all stages of budgeting and planning processes, meaning that all budgetary processes are conducted by adopting a gender perspective with the long-term aim of promoting gender equality goals (EIGE, Europe 2022). We have also described how it has been implemented in some European countries at both the national and local levels.

An additional element that it is relevant to point out is that for how it has been conceptualised, gender budgeting has two aims: to include the lived realities of women's and men's lives in budgets, and to make existing inequalities visible in budgeting (EIGE, Europe 2022). It is also true that it is only a starting point for the wider aim of achieving gender equality. Gender budgeting, in fact, is fundamental to identifying gender gaps and challenges, which are used to formulate objectives to tackle gender inequalities and define appropriate indicators for measuring progress. However, achieving gender equality requires a policy mix with interventions on various aspects. The report of the International Labour Office "Closing the gender pay gap: A review of the issues, policy mechanisms and international evidence" by Rubery & Koukiadaki (2018) identifies four main issues. "First of all, action in the labour market sphere needs to be complemented by support for social reproduction and those taking care of social reproduction. Second... it is necessary to combine gender equity with the overall objective of more inclusive labour markets and to consider intersectional effects of policies within each gender, not only changes in aggregate or average indices. Third, action should be targeted on remedying the particular form of gender pay inequality that dominates in a particular institutional environment. Changes to the policy mix, therefore, need to be targeted to fit the country context and determine at which end of the wage distribution action is most needed. Fourth, achievement of gender pay equity is not a fixed but a constantly moving target".

To conclude, it is possible to state that gender budgeting by helping achieve the broader aim of gender equality also leads to economic gains by contributing to the EU's objectives of growth, employment, and social cohesion.

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