

gender budgeting for public finance

Improving decisions and advancing equality



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CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our members and trainees work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

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\ introduction

“Gender responsive budgeting is a tool to analyse the potential gender impact of economic policies to develop policies that will promote equality between women and men. It should be done by governments to ensure that their policies reduce rather than increase gender inequalities.”

UK Women’s Budget Group (2018)

Gender budgeting, or gender analysis of government and budgets across public sector organisations starts from the premise that the way in which resources are raised or allocated has implications for women and men in all areas of their lives, as the policies or programmes which are funded, impact differently on women and men.

Gender budget analysis emerged in the 1980’s with the first ‘women’s budgets’ at state level in Australia and then in a newly democratic South Africa. Gender budgeting is not about formulating separate budgets for women and men, but rather it reveals the different impacts of public finance decisions on the distinctive realities of women and men’s lives. Examining the effects of resource allocation and policy decisions is an essential component of gender budgeting which underpins an outcomes-based approach to policy making.

Budgets have long been thought of as purely technical exercises – balancing income and expenditure within limited or scarce resources. As such they have been thought to be ‘gender neutral’. However, according to the OECD:

“many disparities and inequalities between the sexes have become embedded, to a greater or lesser extent, in the baseline of public policies and the allocation of public resources.” (OECD, 2017)¹

This realisation that gender inequalities are enmeshed in institutional practices, including budgetary processes, is one of the main reasons to talk about gender and public finance and public policy.

Taking a gender analysis approach to revenue raising and resource allocation helps improve understanding of how decisions affect women and men differently because of their different experiences in family and household structures; paid employment and unpaid work; and caring and provisioning for others. These different experiences stem from established gendered norms and assumptions about women and men and the kinds of jobs women and men do, including traditional assumptions about parenting and caring. These dimensions have an effect on the economic status which we ascribe to women and men – as earners and taxpayers – and the types of social security and other publicly funded income received. By this argument, tax and revenue, spend on social security, education, health, public services and infrastructure including transport and care facilities, are all gendered issues.

1 Gender Budgeting in OECD Countries. OECD Journal on Budgeting – vol 2016/3, OECD 2017

How resources are allocated to services or to social security entitlements, or how taxes are raised, also have a different effect on women and men. Therefore, public finance managers require an awareness of the diverse realities of people's lives and the effects of gender, race, disability, age, and the characteristics that structure people's experiences of the public services, including the spaces and institutions they seek to use. Gender analysis of the impacts on women and men offers an approach to policy making and public finance management that improves outcomes-based policy making and budgeting across public administration.



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addressing gender inequality

Despite advances in gender equality, a number of enduring inequalities between women and men persist.

Women and men continue to experience inequalities in pay, in employment and promotion opportunities, and the proportion of their incomes from social security. Women also still tend to continue to have more responsibility for unpaid work including childcare, care for older or disabled people, and domestic work. For many women, this means a greater reliance on public services and can limit the time they have for paid work and other activities. It also means that when public services are withdrawn, or social security spending is reduced, women are worst affected, with Black and Asian women among the worst affected by changes in tax and benefit systems.²

As the UK Women's Budget Group (UK WBG) have summarised in a publication on gender budgeting, 'Women Count':³

"...gender responsive budgeting is a tool to bring about change. This means persuading policy-makers (government, parliament, civil servants) to think about what impact spending and revenue raising decisions will have on gender equalities and to adopt policies that will bring about greater equality between women and men."

Public finance managers are under increasing pressure to ensure value for money and demonstrate efficiencies. Effective gender analysis, and wider equalities analysis of policy and spending decisions, make for more targeted allocation of limited resources. In turn, this can achieve better outcomes from public money and improved outcomes for people using public services.



**...gender responsive budgeting is
a tool to bring about change.** 

Advancing gender equality in public policy making

The Public Sector Equality Duty (PSED) within the Equality Act 2010 provides a positive platform for public authorities to engage directly in identifying, mitigating and eliminating inequalities and promoting equality. The PSED in its different manifestations in England and Wales and

2 Austerity is reducing social security for women – Briefing from the UK Women's Budget Group on the impact of cuts to social security benefits since 2010 on women. UK WBG, November 2017

3 Women Count. UK WBG, 2018

Scotland, and the equivalent duty under section 75 of the Equality Act in Northern Ireland, require public bodies to conduct equality impact assessments of policies, programmes and budgets. An equality impact assessment is there to ensure that decisions do not discriminate against or disadvantage people, and that they aim to eliminate or at least mitigate existing inequalities.

While the PSED has had a positive impact on equality practice within many public authorities across the UK, its application is patchy with limited evidence of positive change directly impacting people with protected characteristics. Both Scotland and Wales have more extensive specific duties, however, recent research undertaken by the Equality and Human Rights Commission (EHRC) in Scotland showed that there were still areas for improvement towards the full implementation of the PSED, including:

- better articulation of outcomes and reporting on change
- improved use of the published guidance available
- improving the quality of data collected and how it is used.⁴

The EHRC in England has also reported a reduced focus on gender equality since the PSED replaced the Gender Equality Duty, with only a quarter of local authorities listed as having an objective relating to gender equality.⁵

Public finance decisions made through budgets should be subject to this analysis. *Making Fair Financial Decisions*, produced by the Equality and Human Rights Commission offers guidance on applying the PSED in financial decision making.⁶ The Scottish Government is the only devolved government in the UK to produce an Equality Statement as part of the budget process, and has done so since 2009.⁷ In the 2016/17 review of the process, a series of recommendations on the revised process have sought to strengthen the equalities analysis and scrutiny of the Scottish budget.

International pressure and support for gender budgeting has been increasing over the years. For example, in its recent focus on inclusive growth, the OECD has placed importance on the role of the budget as the central system of resource allocation, with a related key role in determining the quality of the associated policy analysis – which includes the capacity of policy analysis to cater for multi-dimensional themes. Table 1 illustrates the potential for a Budget Impact Assessment to expand beyond its traditional areas of coverage – household income impacts arising from budget policy changes – to ensure a gendered analysis on a broader range of issues including poverty, environmental sustainability and well-being, in addition to impacts on gender equality.



**Of the £59bn cuts in social security since 2010,
57% will have come from women's purses.**



⁴ 'Effectiveness of the PSED Specific Duties in Scotland'. Equality and Human Rights Commission Research report. (2018)

⁵ Assessment of the publication of equality objectives by English public authorities, Equality and Human Rights Commission www.equalityhumanrights.com/en/publication-download/assessment-publication-equality-objectives-english-public-authorities (2013)

⁶ EHRC www.equalityhumanrights.com/en/advice-and-guidance/making-fair-financial-decisions

⁷ See www2.gov.scot/Publications/2017/12/7260/0 for Equality Budget Statement 2018-2019.

Table 1:
Gender and other dimensions of inclusive growth in budget impact assessments

Budget assessment dimension	Description
Household income	Increase/decrease in net take-home financial position across the salary/benefit scale; classified by household type (single, one-parent, two-parent, number of children, number of other dependants, housing status)
Well-being impacts	Effects of budget measures on a range of well-being indicators, such as access to and quality of healthcare; housing status; access to education; cultural and community life
Environmental impacts	Effects and costing of budget measures as to their impact on production of CO2 and/or other environmentally deleterious emissions
Gender impacts	Relative quantified net impacts of budget measures by gender
Poverty impacts	Effects of budget measures, including income, material deprivation indicators and other well-being indicators, on the position of underprivileged and/or marginalised sections of the population
Ethnic impacts	Relative income and other impacts of budget measures on particular ethnic groups in society

Source: OECD (2016a), The Governance of Inclusive Growth.

Gender inequality and discrimination

As highlighted by the UK Women’s Budget Group, “Gender responsive budgeting is not just a method of policy assessment, but of policy improvement”, therefore, conducting a gender impact analysis will improve the efficiency of policy making, by highlighting any potential unintended consequences. In *Women Count*, the UK WBG identifies these principles that gender impact assessment of budgetary and finance decisions should aim to reflect:

Look at impacts on individuals as well as households.

- Interests within households may differ, so policies that benefit a household’s decision-maker may not benefit all household members.
- Policy may affect decision-making power within households.

Take a lifetime perspective wherever possible.

- Policies’ long-term effects may outweigh current impacts – for example policies that make it easier for women to stay doing unpaid care may have negative impacts on women’s lifetime earnings and pensions in old age.

Take account of effects on unpaid care economy.

- Recognise that the fiscal benefits of encouraging women into employment are not ‘free’ but may have an impact on unpaid care.

Look at differences within particular groups of women and men, wherever relevant.

- This includes differences by race, income, disability.
- Focus on the least advantaged.

Quantify gender differences in effects where possible.

- If gender effects are difficult to quantify, most policies have some gender effect and qualitative arguments about such effects need to be taken into account.

Analysing the costs and impact for individuals of the failure of government budgets to consider the gendered impact of decisions reveals significant unequal outcomes for women and men. For example, the impacts of recent changes in taxation and social security reveal the highly unequal and damaging effects on women’s income, particularly women from ethnic minorities. Analysis contained in a number of reports from the EHRC, the House of Commons Library, the UK WBG and Runnymede Trust⁸ all consistently show the impact and cumulative effect of cuts and changes in social security on the poorest households.

- The poorest 20% of people have seen a 15% drop in living standards since 2010. Black and Asian families have experienced an even greater decline in living standards.
- By 2020 the poorest Black families are set to lose £8,400 every year in tax and benefit changes and loss of services and Asian families are set to lose £11,600.⁹
- UK WBG analysis shows that of the £59bn cumulative cuts in social security since 2010, 57% will have come from women’s purses. These come on top of tax changes that have benefited women less. Similar analysis by the House of Commons Library concluded that women would have contributed up to 86% of the cumulative cuts.¹⁰
- Lone mothers (who represent 92% of lone parents) will experience a drop in living standards of 18% (£8,790).



55% of adults in social renting are women.



⁸ *Intersecting Inequalities*, Women’s Budget Group and Runnymede Trust (2018)
<https://wbg.org.uk/analysis/intersecting-inequalities/>

⁹ *Intersecting Inequalities*, Women’s Budget Group and Runnymede Trust (2018)
www.intersecting-inequalities.com/

¹⁰ *Austerity is reducing social security for women*, Women’s Budget Group (2017)
<https://wbg.org.uk/wp-content/uploads/2017/11/soc-security-pre-budget-nov-2017-final.pdf>

the case for gender budgeting

There is clearly a social justice argument for ensuring that the raising and spending of public resources does not worsen existing inequalities or result in unequal and unfair outcomes for different people. There is also an efficiency argument, whereby more effective targeting of public resources results in improved outcomes from public policy decisions and resource allocations.

In addition to gender budgeting is a rights-based approach to budgeting which aims to open up financial and budgetary decision making to become more analytical and progressive, more transparent and participative, and ultimately more democratic.

Gender analysis of budgets aims to:

- challenge the assumption that budgets are gender-neutral – that is that budgets do not have impacts that reinforce gendered outcomes
- examine how budgetary allocations affect the economic and social opportunities of women and men
- redistribute resources to achieve more equal outcomes and to advance equality.

In relation to public authorities across the UK, there is a range of ways in which public finance professionals and organisational processes can include gender analysis. The OECD lists gender responsive budgeting as one of the key tools for implementing gender equality and suggests the following key questions are asked to make sure that policies, laws, programmes and budgets are relevant to both women and men:

1. Does the initiative effect women and men differently according to age, education, culture or other identity factors?
2. Does the initiative support the full participation and equal treatment of women and men in all their diversity?
3. Does the initiative have unintended impacts on, or create barriers for, specific groups of women and men?¹¹

Gender impact assessment and gender policy analysis reveal the different and unequal outcomes for women and men from public spending decisions. To do these assessments, reliable and detailed data is required so as to reveal:

- how women and men use and provide services and access social security entitlements and other state benefits
- how publicly funded programmes like training and employability programmes benefit women and men
- what the differences are between women and men across a range of characteristics.

11 Gender Budgeting in OECD Countries. OECD journal on budgeting – volume 2016/3. OECD 2017

Information needs to be gathered and understood by those making decisions about policy – at all levels – and then applied to thinking about how resources are allocated through budgets. Activities will depend on the context of work on policy or planning but could include research and analysis into:

- the likely or actual impact of the budget (or other economic policy decisions)
- the likely or actual impact of policy in a specific area (for example spending on health)
- whether actual spending on services matches budget commitments
- the needs of women and men, girls and boys and the spending required to meet those needs.

Taking it forward in a UK context

Ongoing reforms to public services, developing practice in policy and financial scrutiny, and advances in outcomes-based policy making and resource allocation are among the ways that public administration organisations can integrate gender analysis in their decision making. Improving gender outcomes from public finance decisions requires involvement of a range of public finance functions, including measurement, audit, scrutiny and improvement.

The review of the Scottish budget process referred to earlier offers some useful learning for other public bodies. In particular, the review emphasised the need to improve scrutiny processes through expanding the range of information and reporting that is included in the parliamentary scrutiny of public bodies. This should include the mainstreaming and equality outcomes reporting, as required under PSED.

The Budget Review Group Report (2017)¹² also made a number of recommendations which sought to ensure that scrutiny and setting of equalities objectives and public engagement are integral to the budget process. These include:

- committees should take a broader approach to budget scrutiny, shifting the focus from annual changes to inputs to the difference spending makes
- scrutiny of the selected areas should consider what is being spent overall, what this is achieving in terms of specific output and outcome measures, and if it is offering value for money
- key scrutiny questions could include: What progress has been made in advancing equality and in tackling underlying inequalities?

The group made specific recommendations that the Scottish Government and public bodies should strengthen their performance planning and reporting to provide a greater focus on the delivery of outcomes. This means providing better information about what activity public spending will support, what this aims to achieve, the contribution this is expected to make to outcomes, how plans are being delivered and the impact this is having. This should include the impact of new policies and significant changes to spending priorities and link with setting and reporting on equality outcomes.

The recommendations for improving the equality scrutiny, and the tools and reports including the Equality Budget Statement are now part of the work plan of the Equality and Budgets Advisory Group. This group comprises membership from across the Scottish Government and external agencies including the Convention of Scottish Local Authorities (COSLA) to support the integration of equalities analysis in the Scottish Government budget process.

12 www.parliament.scot/S5_Finance/Reports/BPRG_-_Final_Report_30.06.17.pdf

examples in practice

Gender responsive budgeting calls for analysis of the implications of spending on public services for all genders and ages.

The kind of questions asked may include:

1. How has public expenditure on services been distributed between genders and age groups?
2. Bearing in mind the diversity of women, who is benefiting most from expansion or losing most from cuts?
3. Are there gender gaps that might indicate barriers to accessing public services?
4. Has adequate funding been provided to cover urgent needs of women for health, care, housing and services, for the women and for those they care for?
5. Is spending on public services that promote gender equality expanding, or is it being cut?
6. Are working conditions in the public sector (pay, career prospects and work patterns) conducive to greater gender equality or hindering it?

This kind of analysis requires data on how much the government has spent on public services in the past and plans to spend in the future.

Gender and training

An example of publicly funded vocational training gives useful insight into what an examination of resource allocation reveals by way of gendered outcomes. Higher costs and longer periods in training tend to characterise the skills frameworks such as plumbing, construction and other trades where men tend to predominate.

Key points

- The skills areas where women predominate such as social care, childcare, hairdressing, and customer services have lower training costs for shorter periods. This means that significant amounts of public money have traditionally been allocated to public policies that unintentionally reinforce segregated labour markets and occupational clusters and lower pay for women in the jobs where they are in the majority.
- From an equality outcomes perspective and from the view of improving outcomes for all from public spending, the in-built inequities in the modern apprenticeship programme clash with the direction of public sector management.

In Scotland, significant efforts have been made to address the gendered representation in different skills frameworks, and the under-representation of disabled people and black and minority ethnic people in modern apprenticeship programmes.

Women tend to use public services more than men. This is largely due to the kind of work women do – both paid and unpaid – and the responsibilities which women have for unpaid care.

In advance of the UK Government's Autumn Statement in 2018, the UK Women's Budget Group produced a series of briefings on the gender dimensions of a range of areas of public policy and spending.¹³ Elements of these briefings are reproduced here as examples of everyday aspects of public sector service management which should be informed by require gender analysis in setting spending priorities.

Gender and housing

Housing is central to people's daily lives and a major part of most households' budgets. Poor quality and/or unaffordable housing can contribute to poverty, disadvantage and poor health. Faster growth in house prices compared to wages and a diminished level of social housing has led to a shift towards private renting. Changes to local housing allowance have led to a growing gap between actual rents and the amount that can be claimed in benefits.

A women's housing situation differs from that of a man and is generally less good. Women have distinct tenure circumstances and housing needs, because on average they have lower wages, greater caring roles, and greater risk of intimate partner violence. These affect housing needs in terms of location, tenure, built form, design, cost, housing-related support and other features. These distinctive needs, combined with different wealth circumstances, reflect the need for housing policy to be gender-sensitive.

Key points

- 67% of adults in households accepted as statutorily homeless are women¹⁴ reflecting their risk of loss of secure housing, and their responsibility for caring for children.
- 60% of adults in households claiming housing benefit are women¹⁵ reflecting women's lower incomes.
- 55% of adults in social renting are women¹⁶, reflecting women's lower incomes.

Government policy since 2010 has focused on supporting those at the margins of home ownership, rather than on those in greatest housing need. The treatment of housing assets, rental income and imputed rents (the flow of benefits home owners get from their homes) in the taxation system is generous and has been an overlooked option for fiscal and housing policy goals. Schemes such as Help to Buy have been costly, and yet supported the relatively advantaged, at the same housing benefit has been reduced for some of the most vulnerable, including poorer women, through measures such as the 'bedroom tax'.

Gender and public transport

Affordable, reliable and dependable public transport allows people to access essential opportunities such as paid work, education, shopping and socialising. It follows then that a lack of transport, including public transport, is inextricably linked to social disadvantage, exclusion and gender inequality.

13 UK Women's Budget Group Briefings – <https://wbg.org.uk/category/analysis/uk-policy-briefings/>

14 MHCLG *Livatables on acceptances and decisions* (Sept 2018) quoted in *WBG Briefing: Housing and gender* (Oct 2018)

15 MHCLG (2018) *English Housing Survey 2016-2017*. Ibid

16 Department of Work and Pensions. *Housing Benefit caseload statistics (data to May 2018)*. Ibid

Key points

- Travel by public transport is highly gendered. In 2017 across England, a third more women than men travelled by bus and a third more men than women travelled by rail. On average men made 17 journeys by London bus, 33 journeys by local buses (not London) and 24 journeys by rail (excluding London Underground). By contrast, on average, women made 18 journeys by London bus, 42 journeys by local bus and 18 journeys by rail.
- Overall, expenditure on UK public transport (2016/17) was £29.1bn. This includes spending on national and local roads, local public transport (eg buses and local trains) and national rail. Fifty four percent of this was spent on rail, compared to 8% on 'public transport' including local buses.
- Local authority funding for buses across England has been cut by 46% since 2010/11, and by nearly £20.2m in 2017/18 alone; in Wales, there has been a cut of 39% since 2010/11.
- Across the UK (excluding London), public spending on 'local public transport' including buses, was £2.3m, whilst spending on railways was £15.7m. This equates to about £249 per person per year in England, compared to £8 per person per year for buses.
- Bus fares increased by 3.3% in England between September 2016 and September 2017; rail fares increased by 3.4% between January 2017 and January 2018.
- The vast majority of politicians and policy makers involved in high level decision making about public transport are white men.¹⁷

As women are far more likely than men to live on low incomes, work part time, live in poverty and to undertake unpaid work in the home and the community, poor quality, unreliable and expensive public transport has a far bigger impact on their lives than it does on the lives of men. A lack of public transport creates barriers to women accessing employment opportunities, education, health and other essential services and reduces women's ability to socialise and participate in public life. This makes it imperative that public transport policy and spending is understood from a gender perspective at a local, regional and national level.



Women are more likely than men to live on low incomes, work part time, live in poverty and to undertake unpaid work.



¹⁷ WBG Briefing: Public Transport and Gender (Oct 2018)

\ conclusion

Gender budgeting is a question both of social and economic justice, and of more effective public resource management. By improving our understanding of the structures that contribute to different experiences for women and men, and the unequal social and economic outcomes that they create, policy making, and the allocation of public resources can be transformed to re-orientate outcomes more equally.

In practice, for public finance accountants and managers this means bringing together information about policies put forward in budgets with information about gender differences to examine likely gender impact on employment, earnings, incomes, and unpaid work. This might mean drawing on a wider range of information that is usual, and extending the reach of consultation with stakeholders beyond the established networks in public financial management to include more third sector organisations, including local women's organisations and women's budget groups across the UK.

Integrating gender analysis into public finance decision making is an alternative to the established practices, and may well meet some institutional opposition and resistance. Gender budgeting will require procedural and process changes, as well as the conceptual changes that budgeting is not a neutral, technocratic exercise but is ultimately about people's lives and experiences of public services.

Gender budgeting is increasingly prominent in public finance management at all levels of government. Almost half of OECD countries (15 out of 34 members) have introduced, plan to introduce, or are actively considering the introduction of gender budgeting. Local authorities across countries as diverse as Italy, Turkey, Spain and Germany and Ukraine, and sub-national and regional governments in Spain, particularly the government of Andalucía¹⁸ which has been developing its approach to gender budgeting since 2005; are all engaged in advancing gender analysis in their budget processes. At national level, Austria and Iceland introduced legislation to support gender budgeting as part of constitutional reforms. Audit bodies are increasingly and improving equalities dimensions in audit practices and at the level of individual organisations, there are examples of health boards, universities, and other public bodies. These are among the many examples across Europe and elsewhere of legislative and non-legislative initiatives to introduce gender budgeting and improve gender equality outcomes.¹⁹

Gender budgeting may at first seem to be a collision of two different worlds – public finance and social justice. Ultimately, public revenue and spending is about the common good. Gender budgeting is an approach to public financial management that seeks to reveal persistent and enduring inequalities so that public resources can be directed to best effect to eliminate those inequalities.

18 www.juntadeandalucia.es/haciendayadministracionpublica/planif_presup/genero/genero.htm

19 *Gender Budgeting in Europe: Developments and Challenges*. O'Hagan, A. and Klatzer, E. London: Palgrave Macmillan (2018).

further support

UK Women's Budget Group – www.wbg.org.uk

Scottish Women's Budget Group – www.swbg.org.uk or SWBG on Facebook or @swbg

Northern Ireland Women's Budget Group – @NI WBG

Scottish Government Equality Budget Statement
www.gov.scot/Topics/Government/Finance

Sustainable Gender Equality – a film about gender mainstreaming in practice available at
<https://vimeo.com/77692813>

A wide collection of documentation on gender budgeting, including budget-related gender initiatives carried out by international organisations such as the World Bank and the UN:

Gender Responsive Budgeting In Practice: A training manual. UN Women, 2010,
[www.unwomen.org/-/media/headquarters/media/publications/unifem/
grbinpracticetrainingmanualeng.pdf?vs=1012](http://www.unwomen.org/-/media/headquarters/media/publications/unifem/grbinpracticetrainingmanualeng.pdf?vs=1012)

<http://boost.worldbank.org/tools-resources/topics/general-techniquetopics/gender-budgeting>

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Gender Budgeting in OEC OECD countries,
www.oecd.org/gov/budgeting/Gender-Budgeting-in-OECD-countries.pdf



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