



Are Women Getting a Fair Share? Gender Responsive Budgeting as Smart Economics

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Are Women Getting a Fair Share: Contextual Evidence and Its Importance

“Forget China, India and the internet: Economic growth is driven by women” (The Economist, 2006, p.3). Gender equality plays a crucial part in stimulating growth, generating employment, and contributing to capital generation and poverty alleviation. The acceptance of gender notion within the economy heavily picked up over the past two decades. Recently, Prime Minister of Britain, David Cameron (2012) promoted the increase of the number of women in roles of responsibility in industry by saying that “It’s about quality, not just equality...if we fail to unlock the potential of women in the labor market through equal access to resources, we’re not only failing those individuals, we’re failing our whole economy” (p.2). However, in spite of the clear commitment on the application of gender equality to all policy areas and programs, it often remains only on paper, without dedicating financial resources - through the concept of gender responsive budgeting (GRB). This is evident in BiH where, although the gender equality and GRB principles are well established, practice demonstrates poor implementation. The low presence of women in the structures of decision-making, their increased unemployment and economic inactivity in a period of economic recession, their progressive lagging behind in the level of vocational training are not considered as a causal combination of circumstances or a free expression of choices. Although women make 51.7% of the total estimated number of population capable of working, and only 35.6% of them are employed (the lowest percentage of women’s participation in the SEE), and women are represented in single digits as members of supervisory or management boards of public companies. In the course of 2010 general elections, out of three members in the Presidency there are no women, the president and prime minister in RS are both men, prime minister in FBiH is a man while the analysis of 2012 municipal elections demonstrated that out of 142 municipal mayors, there are only 5 women elected. Thus, it is safe to say that legal commitments to women’s rights and gender equality often remain on paper and do not properly translate into action and equitable development. Addressed by this

proposal is one of the key factors that contributes to marginalization of women from economic, political and social inclusion and reinforces already existing gender gaps: unequal distribution and usage of public funds and resources.

Gender Responsive Budgeting

UN Women define GRB as the ‘government planning, programming and budgeting that contributes to the advancement of gender equality and the fulfillment of women’s rights’ and it entails identifying and reflecting needed interventions to address gender gaps within policies, plans and budgets at all government levels.

GRB bridges the concepts of gender equality and budget, closing the gap between gender sensitive policy frameworks and budget planning and allocation processes.

This policy brief is based on the recent study “Are Women Getting a Fair Share?: Gender responsive budgeting as part of program-based budgeting reform’. The study found that budgets in BiH by large do not integrate specific gender objectives, which means that gender equality policies are not translated into practice with necessary budget allocations. As the baseline problem, there is no adequate analysis of the budgets with respect to gender perspective, so the assumption remains that the public resources are provided in gender neutral way - which is almost never the case. Based on the gender budget analysis conducted in order to establish to which extent women’s needs are incorporated in policies and related financial allocations at BiH local level (Municipality Novi Grad Sarajevo), results are startling:

Field of Agriculture: Budget Incentives for Small Farms and Greenhouses	<ul style="list-style-type: none"> • Out of total 192,936 BAM spent in 2011 budget, 551 farmers received direct subsidies out of which 116 (21%) are female farmers and 435 (79%) are male farmers; • Out of 238 claims for agricultural subsidies filed in 2011, 13 requests were filed by the female farmers - which is only 5.46%.
Field of Sports: Sport NGOs and Municipal Sport Facilities	<ul style="list-style-type: none"> • Out of 164,800 BAM spent in 2011 for 24 the sport NGOs, 19 were male (81.8% of budget), 4 coed (15.2% of budget), and only 1 female sport association (3% of budget); • The sport gymnasiums are used by 8 male teams (1600 members) and 3 female teams (300 members), pointing to gender inequality in the use of public resources.

¹ All produced analysis is based on the publicly available documents, including development strategies, public budget, and consultations with municipal representatives. This work was also supported by UN Women

Summary

In BiH significant gender gaps continue to exist, leading to disparities in men’s and women’s access to and control of human, economic, and social assets. This is visible in the low presence of women in structures of decision-making and their increased unemployment and economic inactivity in a period of economic recession – with BiH having the lowest percentage of women participating in the labor market in SEE region, only 35%. As a result, gender based inequality limits economic growth, social prosperity and diminishes the effectiveness of poverty reduction efforts. Although legal commitments to gender equality are universal declaratively and well established, they often remain on paper and do not properly translate into action and equitable development through the just usage of public resources. Even though roots of these problems include the examination of social and cultural factors, concern with disparate opportunities is evident, and one important method for addressing this is through making sure that resources are shared equitably between men and women. A new study from BiH looks at one strategy to address this problem - by integrating GRB with the overall public finance management reform (PFM) within the realm of program based budgeting, and this policy brief highlights the need for targeted policy action.

While roots of these problems often include the examination of social and cultural factors, concern with disparate opportunities is evident, and it has to be addressed through making sure that resources are shared equitably between men and women.

At the same time, as is the case throughout the Western Balkans, BiH has started its EU integration process and is on the path toward accession. This, among other factors, is leading to public sector reforms, one of its key dimensions being the strengthening of the PFM towards a more complete, accountable and transparent financial resources planning and management through ensuring that the budget represents the results of the allocation through easily identifiable and measurable outputs through program budgeting principles. However, although performance budgeting has been introduced in BiH, but it failed to integrate the gender perspective through GRB. Thus, PFM mechanisms and budgets often reinforce gender gaps, which are particularly notable in the areas of political representation and participation of women in decision making process including the control over public funds, employment and social protection.

This policy paper advocates for explicit policy interventions at each necessary step within the existing performance budget process - "budgeting in 10 steps" model (in line with Laws on Budget) – in order to integrate the gender perspective. This approach would integrate gender mainstreaming into practice through applying adequate public budgets to address specific needs of women and men equally i.e. merging gender responsive policy making and the budgetary process in order to address the existing gender gap.

Given that program budgeting is just starting to be introduced at municipal level, timing for including gender within budget is very rewording and presents a unique opportunity to present GRB as an integral part of the PFM reform. This will limit an institutional rejection and significantly increase the absorption capacity.

Why is Current Policy Approach Failing and Reinforcing the Gender Gap?

Despite the clear commitment to gender equality and gender mainstreaming of all policy areas and programs, the impact to improving gender equality in practice remains weak throughout BiH. Inequitable distribution of public resources continues to deepen the present gender gap. Even though MNGS made significant progress in introducing gender equality (and is certainly a champion in this process at the local level²), the principles of gender policy mainstreaming are not translating

into practice as the analysis demonstrates. Thus, the current policy framework for gender equality is failing and gender gap is increasing. The additional budget funding is not always the answer, and especially not during the severe economic recession. Rather, a restructuring of the budget must be conducted in a way that takes into account the principles of gender equality.

Specifically, in MNGS, we have a situation where the gender equality framework is adopted and budget framework is adopted, but these two policy frameworks are not communicating in practice. Apart from gender equality conventions that BiH signed and that trickle down to local level as well, specific gender equality policies were adopted at municipal level. This is mostly visible in the development of Gender Action Plan and other accompanying documents which provide a roadmap for implementing gender equality within the set timeframe. However, in reality the Gender Action Plan is not connected with PFM cycle on a regular basis even though theoretically these two frameworks are communicating (with exception of few ad hoc activities being financed through the public budget) which means it cannot be implemented properly. Rather than placing the norms of gender equality within the budget structure, although they clearly require resources, gender equality policy frameworks were developed and ad-hoc gender equality initiatives are carried out. Without adequate and sustainable budget, and reinforced by social stereotypes which are far from equitable, the gender gap increases.

It is evident that even at this stage, the MNGS realized the potential challenges if gender equality is not supported by the regular budgeting cycle and integrating gender concepts within the budget making policy framework. They are increasingly engaged in gender issues and potential solutions, as well as capacity building efforts. Although significant results are being achieved through a gender progressive policy framework, key challenge in this process remains – gender needs to be considered within budget making decisions since that is where the resources are divided and the current budget preparation process within local level government does not reflect the gender dimension.

New Policy Approach: Integration of GRB within the Budget Process

United Nations Entity for Gender Equality and Empowerment of Women (UN Women)³ supported the GRB implementation in BiH over the past years. Their work, along with work of other donors/organizations and related projects, is very significant - both in terms of supporting the policy formulation for GRB as well as initiation of gen-

² Work supported by UN Women BiH

³ Previously United Nations Development Fund for Women (UNIFEM)



der budget analysis, and gender mainstreaming interventions. Although initial contact with international donors, namely Department for International Development (DFID) that supported the PFM reform was established⁴, no concrete conceptual steps were made toward the implementation of GRB with key financial mechanisms in the country - Ministries of Finance (or Finance Sectors for municipal level) as well as key directorates and line ministries (some steps forward were achieved at Entity and State level - such as inclusion of GRB within the introduction of the Budget Framework Paper, but none at local level). Thus, despite the momentum achieved with the program budgeting reform, link between program and gender budgeting which would address the needs of all citizens equitably remained weak.

Policy option which would integrate GRB within budget preparation process requires minimal policy changes within the existing budget preparation and decision making processes, although intensive capacity building is necessary. Specifically, gender equality would be supported through concrete programs, which means that they need to be combined with budget allocations, and thus be part of the systematic PFM reforms. This would require the amendment of standard budget preparation templates and introduction of gender responsive approach. Below is a program budget process in 10 steps, with first step starting in January and tenth step ending in December of each year (DFID 2010).

ria for funds distribution based on the proposed programs from budget users. Furthermore, tables for submitting program proposals should include gender aspects, namely request that the project results provide gender segregated data, and that gender sensitive indicators are included as a measurement of achieved results i.e. introduction of gender sensitive performance indicators for each program proposed by the budget user. This would require all budget users to track gender segregated data for their proposed programs – and this is necessary for conducting gender budget analysis.

- Step 4: Budget Framework Paper adopted

Budget Framework Paper should include a section on GRB, which means that the gender equality issues and participation of women is considered in the process of long term economic planning. Although other steps require modification in terms of process and capacities, there are no direct policy changes. For example, although there are no specific policy changes for Step 2: Budget User Priority Review Tables Submitted, it is important to ensure that budget user priority review tables submitted by the Ministry/ Sector of Finance are based on gender equality dimension among other criteria, and similarly for Step 6: Budget User Requests Submitted and Step 7: Budget User Discussions.

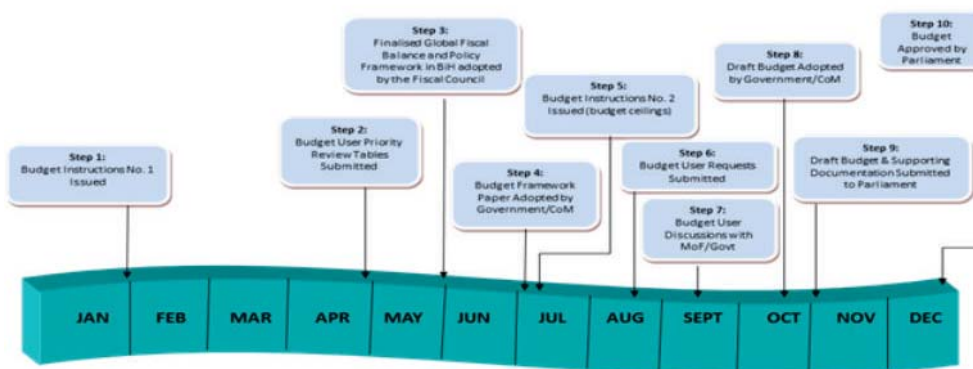
The proposed policy changes within the current budget policy preparation framework demonstrate that gender responsive budgets are not separate

Where to Fit the Policy Change: Institutional Framework & Entrance into the Current System

Although complete policy change would require law amendments at FBiH level (as municipalities are part of FBiH), namely Law on Budgets in order to incorporate the 'GRB 10-step process', initial pilot implementation can be proposed through municipal level decree, amending their current budget preparation process

⁴ Cooperation through the Strengthening Public Finance Management III Project, 2009 - 2011

MEDIUM TERM BUDGET PLANNING AND PREPARATION IN BiH IN 10 STEPS



In order to introduce gender component, the following policy steps within the budget preparation process would need to be directly amended:

- Step 1: Budget Instruction No. 1 and Step 5: Budget Instructions No. 2

Ensure that Budget Instructions No. 1 and 2 are updated to reflect the gender dimension. Specifically, as part of the instructions, it should be clear that gender equality is an important criterion

for budgets for women, but rather an analysis of the government's budget in order to identify the various cross-influences of budget accumulation, planning and allocation processes on women and men. By mandating that gender segregated data is provided by all budget users for competing programs i.e. budgets, it would be evident that budgets are not gender neutral but rather play a vital role toward increasing or decreasing gender gap.



Merima Avdagic, is a senior economist with more than 10 years of professional experience. Over the past decade, she worked for many key international and national partners on numerous consultancies and capacity building initiatives in the area of applying multi-disciplinary macroeconomic factors to sustainable development. Ms. Avdagic has substantive experience in the field of public finance management, including fiscal policies and strategic development, and public budgeting with focus on performance based and gender sensitive programme budgeting reform. Ms. Avdagic was part of the expert group who headed up the programme budgeting reform in BiH, ensuring that public finances are increasingly effective at delivering the priorities of the Governments through development and implementation of a comprehensive medium-term, gender sensitive programme budget process. Ms. Avdagic has strong experience working with various government levels, including providing support to line ministries and improving relationship between budget users, Ministry of Finance, and civil society organizations, and establishment of transparent and more efficient way of funds allocations in line with strategic documents and supporting the decision making process. With an undergrad in ICT, Ms. Avdagic headed up numerous initiatives aimed at increasing efficiency and transparency of evidence-based decision making processes through the usage of ICT based tools and solutions. Ms. Avdagic also supported parliaments in order to ensure adequate scrutiny of the budgetary process and government accountability.

Due to the economic, political and social environment in transition countries that are moving from social regime toward open market parliamentary democracies, as is the case with most countries within SEE region, integration of GRB practices within the PFM reforms is an attractive model for contributing to gender equality and overall socio-economic prosperity. Since various program budget reform processes are already taking place, it is beneficial to tie GRB to these ongoing trends as opposed to new intervention initiatives and programs. The reform environment offers perfect opportunities for systematically addressing gender equitable resource planning and allocation through linking the gender equality principles and policies with the budgetary processes. This will ensure systematic approach and application of GRB across all areas that dictate public funds allocations, as well as enable sustainability of GRB concept, since it will be carried out on an annual basis with well established budget cycle schedule. Finally, although this policy brief is focused on GRB implementation at local level, it is indicative and transferable to all government levels in BiH, given that all levels are essentially using the same budget calendar.

Along with her specific PFM knowledge, Ms. Avdagic has broad experience in the realm of public administration reform processes, management, assessment and evaluation, capacity building and institutional appraisal, public-private-civic partnerships and business change management. Ms. Avdagic is currently a PhD Candidate in Economics.

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A "Policy Development Fellowship Program" has been launched by the Open Society Fund BiH in early 2004 with the aim to improve BiH policy research and dialogue and to contribute to the development of a sound policy-making culture based on informative and empirically grounded policy options. The program provides an opportunity for selected fellows to collaborate with the Open Society Fund in conducting policy research and writing a policy study with the support of mentors and trainers during the whole process. Ninety fellowships have been granted in three cycles since the starting of the Program. All policy studies are available at www.osfbih.org.ba