

Money. Power. Equality.
Lessons from an international perspective

Diane Elson, Emeritus Professor, University of Essex

Presentation to 11th Barbara Prammer Symposium

Vienna, Parliament, 17 January 2025

Issues

- Gender Responsive Budgeting: Definitions, Principles
- Key Challenges in Gender Budgeting, including Measuring Impact
- Gender Budgeting in Current Global Landscape, including some examples
- Advancing Gender Budgeting:
 - Making The Case for Investment in Social Infrastructure
 - Making the Case for Progressive Taxation of Wealth
 - Supporting Civil Society Gender Budget Analysis and Education
 - The Politics of Gender Budgeting

Gender Responsive Budgeting

- Most governments have gender equality policy statements but frequently they are disconnected from budgets
- Gender Responsive Budgeting can throw light on gender equality implications of how revenue is raised and where the money is allocated and is spent and what outcomes are achieved
- If gender equality objectives are not being achieved, budgets need to be reviewed and changed to make them Gender Responsive
- Gender Responsive Budgeting can also promote:
 - Greater effectiveness, transparency, and accountability in public finance
 - Social justice, as gender can be considered in relation to class, ethnicity, age and location

Different Practices, Common Principles

- Not just one way to implement Gender Responsive Budgeting
- A variety of tools and procedures, according to context and objectives
- Applied at different levels of government: national, regional, city

- Underlying the diversity, should be one basic question :
- Does the way the government raises and spends money:
- Reduce gender inequality?
- Leave gender inequality unchanged?
- Increase gender inequality?

Following the Money from Budget to Outcomes

- *Inputs* of expenditure must be translated into:
- *Activities* (e.g. operation of care services, campaigns with men against domestic violence, delivery of welfare benefits, subsidies to ensure transport services meet women's needs)
- *Outputs* (e.g. numbers of people given care, number of men reached by anti-violence messages, value and distribution of welfare benefits, numbers of women able to access suitable public transport)
- *Gender Equality Outcomes* (or Impacts or Results) (e.g. gender gaps in income reduced; violence against women reduced; gender gaps in unpaid care work reduced; gender roles transformed)

Key Challenges in Gender Budgeting

- Just over 60% of OECD countries now practice gender budgeting, compared to fewer than half (44%) in 2015
- The quality and impact of efforts vary. Key challenges arise when:
 - Efforts are not led by the Ministry of Finance
 - Gender budgeting is implemented without sufficient capacity building (staff, data, guidance)
 - Governments think the goal is producing rather than using information
 - The approach is not linked to a gender equality strategy and does not prioritise key investments
 - The overall focus of fiscal policy is austerity: cutting expenditure (even while reducing taxes)

Measuring the Gender Impact at Programme Level

- Example: Modern Apprenticeship in Scotland, Data for 2012/13
- *Inputs* of Expenditure: £75m, funded by Scottish Government
- *Activities*: training combined with employment, one third trainees women ; men three times more likely to be training for level 3 and above
- *Outputs*: 76 % of women leaving programme achieved a qualification, 77% of men; women 60% of level 2 achievers, 38% of level 3 achievers
- *Gender Equality Impacts*: pattern of occupational sex segregation unchanged
- Women apprentices concentrated in low paying childcare, hairdressing and health & social care
- Men apprentices in higher paying construction, engineering and automotive industries
- Source: Campbell & Gillespie 2017

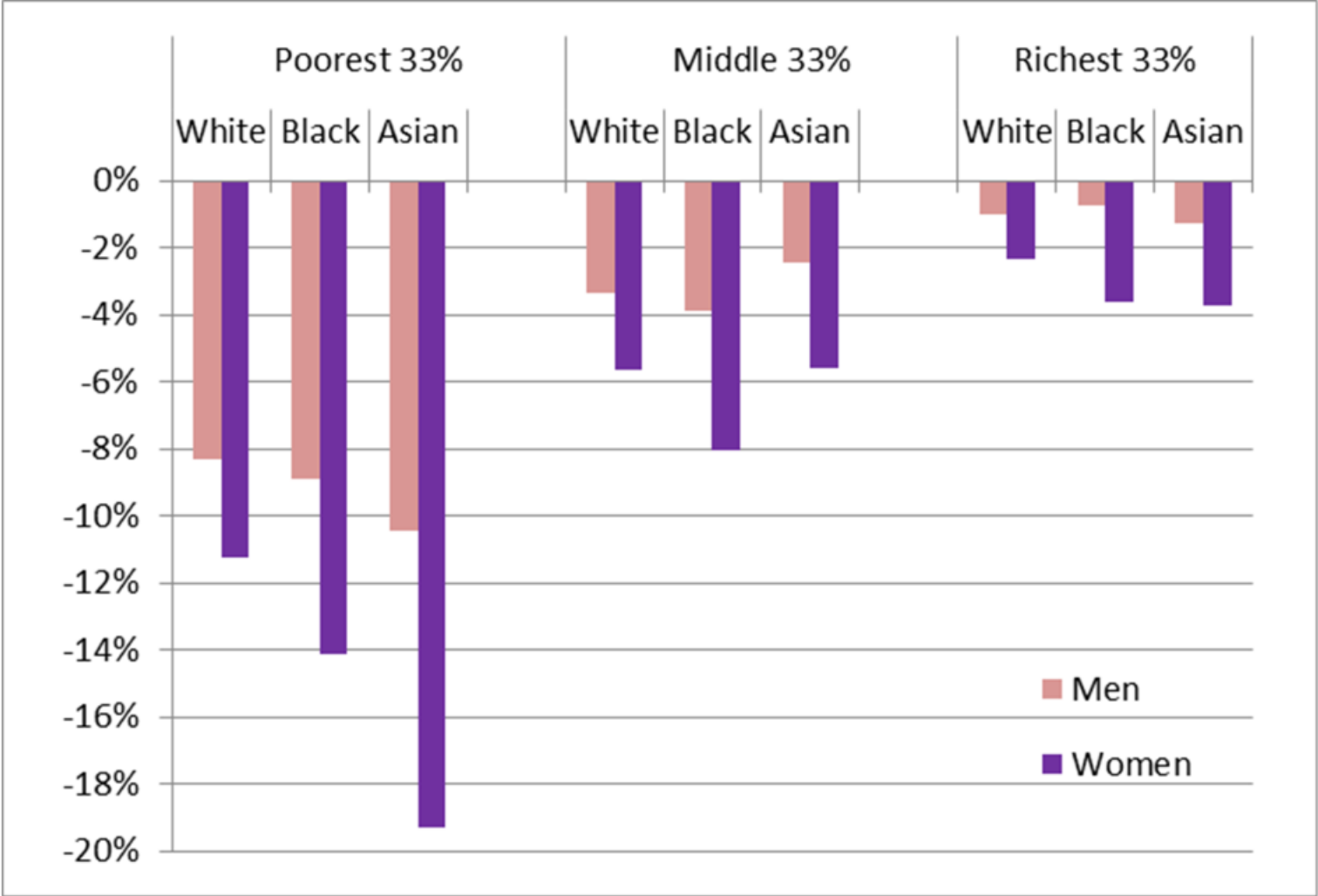
Measuring Gender Impact of a Combination of Policies : UK Social Security and Tax Policies

- In period 2010-2020 welfare benefits were cut, with aim of reducing budget deficit, but some taxes were also cut
- UK has legislation requiring governments 'to pay due regard' to the equalities impact of policies, including budgetary policies
- An important way of demonstrating this is to publish an assessment of the cumulative impact of policies on different social groups
- The government did not do this, so the UK Women's Budget Group published an assessment of incidence on income, by gender, ethnicity and class, in period up to 2020, using official data
- <https://www.wbg.org.uk/publication/intersecting-inequalities/>

Combined Impact on Individual Incomes

- Women lost more than men, across all income groups and ethnicities
- Poor women of Asian ethnicity lost most, and they were already the group with lowest income
- Income gaps by gender, ethnicity and income group set to widen
- To reduce these income gaps, rather than widen them, a different approach to budget deficit reduction was needed, with more emphasis on taxing better off
- Cuts to welfare benefits since 2010 totalled £37bn a year by 2020
- Tax cuts since 2010 cost £41bn a year by 2020

Cumulative impact (by 2020) of changes in taxes and benefits (percentage of net individual income per annum) by household income groups, gender and ethnicity



Gender Budgeting in Current Global Landscape

- More governments than ever before claim to use Gender Budgeting
- International organizations like OECD, EU, IMF and World Bank promote gender budgeting
- Many governments focus primarily on expenditures explicitly targeted to women and do not like spending and policies
- Most governments do not include taxation or the macroeconomic dimensions of the budget
- Source : Elson 2021
- OECD(2023) finds Austria, Canada, Iceland and Ireland and Norway have most comprehensive gender budgeting, based on replies to questionnaire

Use of gender budgeting tools and methods across the budget cycle 2022 in OECD countries that implement gender budgeting measures. OECD (2023).

	Planning and approval			Approval		Implementation and reprioritisation	
	Gender dimension in performance setting/performance budgeting	<i>Ex ante</i> gender impact assessment of budget measures	Gender budget tagging	Gender impact assessment of budget	Distributional assessment of tax and welfare measures by gender/gender-related budget incidence analysis	<i>Ex post</i> gender impact assessment of budget measures	Gender dimension in spending reviews
Australia							
Austria	■	■			■	■	
Belgium			■				
Canada	■	■	■	■	■	■	
Chile	■	■	■			■	
Colombia			■				
Finland							
France	■		■	■		■	
Germany		■				■	■
Ireland	■	■		■	■	■	■
Iceland	■	■		■	■	■	■
Israel				■	■		
Italy			■		■		
Japan			■				
Korea	■		■			■	
Lithuania	■						
Mexico	■		■	■			
Norway	■	■			■	■	

What Lies Behind OECD Evaluation ?

Example of Canada

- In 2018, the Canadian Gender Budgeting Act was passed by Parliament, incorporating Gender Based Analysis Plus into the federal budget-making process
- Government of Canada claims resources have been invested in strategic areas fostering gender equality and inclusion including:
 - *Early Learning and Child Care*
 - *The National Action Plan to End Gender-Based Violence*
 - *The Federal 2SLGBTQI+ Action Plan*
 - *Implementation of the National Action Plan to End the Tragedy of Missing and Murdered Indigenous Women and Girls*
- Government does not provide an analysis of how GBA Plus influenced these priorities, nor how funding for these new initiatives compares with funding for other programmes

Critical Perspectives on Gender Budgeting in Canada

- GBA Plus has been described as simply a “check-box” process (Lefroy & Stacey, 2022)
- Findlay (2022) argues that the annual budgets made with the GBA Plus resulted in: “investments in infrastructure that would benefit male workers the most; gendered forms of privatisation; changes to caregiver and parental leave that would serve only the most privileged women; and major gaps in essential services including childcare”.
- Standing Senate Committee on Social Affairs, Science and Technology (Senate Canada, 2023) found “GBA Plus does not accomplish its purpose in ensuring that none of the diverse people encountering Canadian federal policies and programmes are unintentionally harmed by them or excluded from them” and that “the implementation remains inconsistent and incomplete across the government’

Advancing Gender Budgeting: The Case for Investment in Social Infrastructure

- Feminist economists categorise public services such as education, health early years education and care, and social care as ‘social infrastructure’ and all spending on them as investment
- Like public spending on physical infrastructure, public spending on social infrastructure produces spillover benefits to the economy and society as a whole, with streams of returns accruing over many years
- Investment in social infrastructure, just as in physical infrastructure, incentivises private investment by lowering costs
- Investment in social infrastructure in UK would not only create more employment, but also increase productivity, and generate increased tax revenue
- Source: Onaran, O., Oyvat, C. and Fotopoulou, E. (2022)

Progressive Taxation of Wealth and Gender Budgeting

- Inequalities in wealth and income from wealth have grown much more than inequalities in earnings.
- Men own considerably more wealth than women, so taxes on wealth and income from wealth are gender equitable as well as socially just
- Spain introduced a progressive solidarity tax at end of 2022 on very wealthy people (the top 0.5% of wealth owners), rising with their level of wealth.
- Estimate for 172 countries finds a similar tax at between 1.7% and 3.5 %, on the wealth of the top 0.5% of wealthiest in those countries, it would increase tax revenues by about 7.3 % of their current revenues. Adding up to more than \$2.2 trillion globally (Palansky and Schultz, 2024)
- *Conduct national assessments taxation from a gender equality perspective, focussing on how to raise more revenue through progressive taxation*
- For UK example, see Himmelweit and Pinto 2024.

Support Civil Society Gender Budget Analysis: Example of UK Women's Budget Group

- Successful engagement with the UK Labour Governments 1997-2010
- Regular dialogues with The Treasury and some policy impact
- For example, WBG produced evidence that reducing child poverty required putting more money in the hands of women and influenced design of new Tax Credit policies
- With Coalition and Conservative Governments (2010-24) dialogue ended
- No gender budgeting by UK government BUT:
- All Party Parliamentary Select Committees called for evidence from WBG and used it in their reports
- Extensive use by journalists of WBG reports
- WBG now engaging with Labour Government and providing training for officials
- For more information see <https://www.wbg.org.uk/>

The Politics of Gender Budgeting

- Challenging political climate in many countries
- Backlash against gender equality, in context of increasing class inequality and xenophobia
- But city and regional governments may retain commitment to gender equality and gender budgeting even when national governments do not (eg some Australian states, and within UK, Scotland)
- Need for a social justice approach that addresses class as well as gender and ethnicity
- Show how taxing the rich can generate resources for investment in social justice as well as gender equality
- Build civil society capacity to conduct gender analysis of budgets and communicate findings
- Work with lower tiers of government (In UK

Sources

Campbell, J. & Gillespie, M. 2017, 'Gender analysis of spending on the Scottish Modern Apprenticeship programme', *Local Economy*, 32 (5)

Elson, D.(2021) 'Gender Budgeting' in G. Berik and E. Kongar (eds.) *The Routledge Handbook of Feminist Economics*, London, Routledge.

Findlay, T. (2022) Intersectionalities of Opportunism: Justin Trudeau and the Politics of "Diversity". *International Journal of Canadian Studies*, 60, 40–59.

Himmelweit, S. and Pinto I. (2024) Taxation and Gender: Briefing for a New Government. <https://www.wbg.org.uk/publication/taxation-and-gender-briefing-for-a-new-government/>

Lefroy, I., & Stacey, J. (2022). "Add Women and Stir": The Potential and Limits of GBA+ in Canadian Impact Assessment Law. *Canadian Journal of Women and the Law*, 34(2)

OECD(2023) Gender Budgeting in OECD Countries 2023. OECD Publishing, Paris.

Sources

Onaran, O., Oyvat, C. and Fotopoulou, E. (2022) 'A macroeconomic analysis of the effects of gender inequality, wages and public social infrastructure: The case of the UK', *Feminist Economics* 28(2).

Palansky, M. and Schultz, A. (2024) Taxing extreme wealth: What countries around the world could gain from progressive wealth taxes, Tax Justice Network Working Paper #2024-02. <https://taxjustice.net/reports/taxing-extreme-wealth-what-countries-around-the-world-could-gain-from-progressive-wealth-taxes/>

Senate Canada. (2023) All Together: The Role of Gender-based Analysis Plus in the Policy Process: reducing barriers to an inclusive intersectional policy analysis. *Journals of the Senate*. https://sencanada.ca/content/sen/committee/441/SOCI/Reports/COM_SOCI_GBA-Plus_Report_E.pdf

WBG (2017) Intersecting Inequalities <https://www.wbg.org.uk/publication/intersecting-inequalities/>