



**PROSPECTS FOR AFRICA –  
EUROPE'S POLICIES**

The VENRO Project on the  
Africa-EU Partnership

## Gender Budgeting and Democratic Governance: Experience from Africa and Europe

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## Gender Budgeting and Good Governance

By Prof. Dr. h. c. Christa Randzio-Plath

The Joint Africa EU Strategy (JAES) decided by the heads of state and government of the 53 African Union and 27 EU Member States in Lisbon 2007 is an invitation to an intercontinental dialogue. This includes a people-to-people approach, and thus also encompasses civil society. Unfortunately, this innovative approach to address common concerns by a partnership of equals is only little known. National governments in the European Union (EU) are not informing the respective public despite the fact that not only the EU level, the national governments and parliaments are concerned but also the people living on the two continents. The project of the Association of German Development NGOs (VENRO) “Prospects for Africa – Europe’s Policies” is an attempt to link knowledge and engagement bearing in mind that improving mutual understanding, respect and joint actions is crucial to the future relationship between the two continents.

Gender issues are not among the eight topics the JAES addresses but do figure as cross-cutting aspects to be dealt with. VENRO and its partners decided to associate themselves with the Strategy’s good governance implications. Thus gender budgeting was taken as a means to improve governance by more transparency and participatory approaches.

First and foremost, gender budgeting is a strategy to improve equality as has been the intention of the gender mainstreaming strategy since the Fourth World Conference on Women agreed the Beijing Platform for Action in 1995. Since every country’s budget is crucial to political commitments and programmes, budget negotiations and decisions are power questions. As women only have limited access to political power, with a mere 18% of world parliamentarians and not more than 20 heads of state or government world-wide being women, their influence on world budgets is limited. Gender budgeting very rightly integrates gender equality and gender relations into budget policies. This strategy starts from the argument that neither money nor budgets are gender-neutral. Therefore, 50% of the population are neglected in their interests and needs as they are invisible and do not have the lobby they need. Thus gender budgeting not only makes budgetary expenditure more transparent but also makes budgetary decisions more participative. So gender budgeting contributes to good governance as well. Just for your memory, good governance calls for more equality, more transparency, more efficiency and,

especially, more participation. Accountability is another key issue because there is often a mismatch between the promises a government makes and what is delivered.

In the UN family, we now count more than 60 nations (2002) that have introduced one or the other form of gender budgeting. In the EU, we have Belgium, France, and the Nordic countries, Italy, Spain and the United Kingdom. Austria is the only country which has indorsed gender budgeting in its constitution. We also count initiatives at regional and local level in the EU, although so far, the EU itself has refrained from gender budgeting. It is worth noting that UNIFEM has supported gender-responsive budgeting at national and/or local level in 45 countries, including Kenya or Indonesia, Albania or Kyrgyzstan, and Brazil or Nicaragua, and that it has also worked with the EU.

Gender budgeting needs efforts at the intersection of gender and budgets and segregates public expenditure for women as a first step. Gender budgeting does not limit policies to avoid discrimination of women. Gender budgeting must contribute to associating budgets to legal action or programmes which address women and men in a different way. It has to be recognised that the needs of men and women are different. Policies have to admit and give gender-responsive solutions like those for the implementation of laws against domestic violence. The analyses of allocations in a budget offer helpful information, but the utilisation patterns has to be looked at as well in order to know whether the allocations are reaching women. Finally gender budgeting also addresses the question of state income. Taxation is one source of income. What women contribute to the gross domestic product is often forgotten. The care economy, mainly in the hands of women world-wide, counts for more than 30% of GDP –how could states survive without the unpaid care of women? This contribution to the wealth of an economy has been neglected. It is important to underline the importance of this contribution because it also legitimises the approach of gender budgeting and the opportunity of accountability with a view to gender equality.

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## Gender Budgeting and (Gender) Democracy: What are the Linkages?

By Marion Böker

If properly and systematically implemented including participatory elements, gender budgeting can enhance the quality of democracy. Gender budgets improve the traditional way of managing public finances. Gender budgeting is an ongoing ex ante gender assessment, debate and evaluation and process of steering to ensure that all finances in the budget work have a comprehensive and positive outcome for gender equality. This is a key objective for the implementation of good governance and human rights. We never must forget that public expenditures in the budgets of our municipalities, provinces, states and nations as well as in many cases those of international and regional organisations, are generated from direct or indirect taxes, by women and men. Public expenditures drafted, approved and administered are under the mandate of the governance and administration which we have imposed to work for our mutual benefit as citizens. Gender budgeting can even be processed in budgets of Non Governmental Organisations (NGOs), foundations or the private sector. The management of public expenditures and the allocation of revenues in our names today have to follow the agreed criteria which are also ratified in international legally binding instruments such as the UN Human Rights Treaties or regional instruments: they have to be impact-oriented and accessible for the participation of citizens. They should be transparent, participatory, and published and presented in a way that all citizens and people targeted, regardless of their status, will have access to the information. This

**Article XIII:** The budget for the police and for the expenses of the state administration will be allocated by equal shares from woman and man. If the woman shares all duties and burdens she must equally participate in the distribution of jobs and work, in lower and in high positions, and in industry.

**Article XIV:** The women citizens and the men citizens have the right to define on each necessary public allocations and expenditures, directly through themselves or through their [elected] representatives. The female citizens can only agree to the principle to pay taxes of the same amount of men from their financial assets if they have a share in the public administration and through this will decide equally upon the use, the allocation and timeframe of taxes.

**Article XV:** The female population who is paying the same share of taxes as the male has the right to claim for statements of accounts from all public institutions.

From: Olympe de Gouge: "Les Droits De La Femme", 1791

includes an easy language, barrier-free access, and information provided in electronic and printed versions, and should include the proven information about its impact, which must at least guarantee women's human rights.

### A Historical Perspective on Gender Equality and Budgetary Policies in Europe

This idea is not new. Only the concluded consensus and the methodology and instruments have been much further developed today. In European history, when human rights were declared without the inclusion of women's human rights, Olympe de Gouges in Paris (France) published her pamphlet "Rights of the Women" (1791) in opposition of this. She claimed equal human rights for women and stated that women are "born free and equal", are subject to the law and as such are legally entitled to be full citizens with equal rights without any distinction from men. While recognising that her fellow male proponents of the French Revolution as well as philosophers and politicians only defined men as the individual subjects of the Social Contract as homo economicus – which means the male human economic actor who is legally entitled to social and economic rights – claimed equal shares of women in economic life and economic rights for women in Articles 13 to 15 of the same declaration. Even after 300 years, they still sound pretty up to date.

### How does it work in practice?

The Swiss-based economist Mascha Madörin wrote: "As soon as one starts the back-breaking work of a gender-specific analysis of public expenditure, one is confronted with the discourse about the gaps and lacks of the traditional theoretical and statistical former concepts of economy."<sup>1</sup> Like many experts, she especially insists on the inclusion of unpaid work (care economy: household, caring about children, the elderly and informal work) in the economy and in the processes of gender budgeting. So far, most of the public budgets have only analysed between 0.05 % and 0.03 % of the total sum in specific programmes designed for gender equality to women's human rights. But gender budgeting will make sure that 100 % of the budget is working for

<sup>1</sup> Mascha Madörin (2004): "Engendering Budgets– Eine Herausforderung für ÖkonomInnen", In: Gubitzer, Luise/Trukeschitz, Birgit (Eds.): Frauen und Budget, Frankfurt/Main, p. 25



the progressive elimination of all forms of discrimination against women and to eradicate all forms of violence against women. All budget lines, as for example those of public transport, reconstruction, security or defence, education and social issues, have to prove an efficient outcome for the equality of women and men.

This objective and the implementation of gender budgeting as the gender mainstreaming of financial policy has been ratified as an objective by states in the Beijing Platform of Action and is covered e.g. by the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) and by many regional and national legislations. Gender budgeting can even be the driving motor of gender mainstreaming since the budget circle is an ongoing mechanism that can easily be transferred into a gender evaluation and controlling process of all planning, decision-making and implementation processes so as to ensure the transparency of impacts and progress. The process of changing the public budget circle into a gender-controlling instrument is the state's duty. Nevertheless, the NGOs and civil society experts have to play an important role in initiating and monitoring the process.

The chief precondition for the implementation of gender budgeting is the political will. Then the lead must be with the authority for finances, but with an inter-ministerial and inter-department working group as a steering body which defines and continuously develops the implementation process. The steering group should include the expertise of the gender advisers or gender officers in the various entities. But again: the only unit capable of changing the way the budget planning document is prepared is the entity for finances and the budget. All stakeholders need exchange, training and a culture of creativity for such a project of reform, which should be provided by the leader of the steering body for stakeholder management. Alongside the process, the parliament or city councils should be briefed and attached to the progress. Citizens, both women and men, NGOs and experts have to be invited to hearings to consult their opinion and recommendations for the gender analyses and impact assessments of various budget lines and their gender objectives, indicators and impacts and what changes or new distribution directions shall be decided. While gen-

der budgeting may begin with a very low approach allowing all stakeholders to start contributing to the work with gender-disaggregated data, it must be validated and extended over time to become a comprehensive approach using all available gender mainstreaming and budgeting methodology. The process has to develop an approach several times and has to take up the specific local, regional setting and be adapted to it. Gender budgeting is not an approach that just serves political interests of the profiling of politicians or parties in the short or medium term. It is a long-term process that changes structures.

### From Gender Budgeting to Human Rights Budgeting

Starting with the categories of 'women' and 'men' the limits of the twofold gender construction quickly become obvious. The category has to be broken down into more detailed categories referring to the targeted groups in societies: age, social, economical and cultural status, minorities, educational background or access and quality of educational and health services and many more. When defining the objectives of the budget lines (articles) and measures financed by them one could use the Universal Declaration of Human Rights and the nine existing UN Human Rights Treaties as well as the constitutions of nations and regions, the Declarations of Charters of Human Rights in the regions. This could ultimately change gender budgeting into human rights budgeting. A dialogue on this is already starting. But the practice is still in its infancy in terms of any true implementation of gender budgeting. It will take some time with best practice before ongoing processes attain the level of human rights budgeting.

Have a vision: transfer and change the old-fashioned way of how budgets are prepared and work into a tool for gender equality!

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## Experience with Gender Budgeting from Uganda

By *Patricia Munabi Babiiha*

### Introduction

It is widely acknowledged that budgets are central to the development process. They are not only tools for collecting and allocating financial resources, but also powerful instruments for shaping the future of nations in ways that advance or retard social, economic and political progress. Forum for Women in Democracy (FOWODE) believes that all development initiatives must clearly show benefits for women and men and that a gender perspective should be integrated in policies, programmes and budgets. Only then can the government show accountability for gender equality and women's empowerment.

FOWODE grew out of the Women's Caucus of the 1994 – 1995 Constituent Assembly that debated and passed the Ugandan Constitution in 1995. During the Assembly, the women delegates used the Caucus to increase their political clout, broaden the base of support for women's issues and advocate for a gender-sensitive Constitution in all aspects. The success of the Women's Caucus paved way for the formation of FOWODE as a non governmental organisation to continue with what had been started in the Constituent Assembly and to provide women in leadership positions with an organised platform for learning, networking, sharing experiences and also advocating for gender equity and equality in decision-making processes.

The budget is a political tool since it directly or indirectly affects the lives of all citizens. Frequently however, it is people with modest means and little political influence who are mostly affected by budget decisions. As women form the majority of the poor, the effect of budget expenditures and allocations on them is of direct interest to them, and yet in many instances, their needs are not prioritized. Budget formulation has continued to ignore the different socially determined roles, responsibilities and capabilities of women and men.

Women have the right to equal access to the services of governments, as well as the right to be treated equally in these services and to be able to influence the initiation, development, management and monitoring of services. Budgets matter most to women as they support their rights to health, education and a decent life. Since women are the majority in the care economy, they have a vested interest in accessing safe water, health services and renewable energy. Thus the conditions in which services are delivered are important issues for women. Poor women rely more than men on public services because they often do not have other options. If they

have to pay for health or education, girls and women from poorer households are likely to lose out, as poor households commonly reserve their cash for medical care and schooling for men and boys. For democratic governance to work for women, they – particularly the poorest women, who have the least power – must be the drivers of the accountability process, and the process itself must aim at achieving greater gender equality. Therefore, the participation of citizens in local government, particularly that of women and the poor, is essential in promoting good governance.

### FOWODE's Gender Budget Programme

Most legislators, especially female legislators in Uganda, do not have the skills to analyse budget information so as to challenge and create new budget proposals. Most budgets are written in a very academic language that ordinary councillors, especially women, who form a third of the Council and do not have any economics or finance background, do not understand.

Since 1999 FOWODE has been implementing a Gender Budget Programme (GBP) whose goal is to advocate for gender balanced budgets that address the needs of women and men, girls and boys and marginalised groups such as persons with disabilities. The Programme has three components: the Regional Gender Budget Initiative, the National Gender Budget Initiative and the Local Government Gender Budget Initiative.

Within the Regional Gender Budget Initiative a regional Eastern Africa Gender Budget Network was created in 2002 to ensure that the design, implementation and monitoring of local and national poverty reduction strategies, macroeconomic policies and budgets are gender responsive. This provided a platform for countries in the region to share experiences on the implementation of gender responsive budgeting.

The National Gender Budget Initiative empowers legislators, government planners and civil society organisations to advocate for gender balanced national budgets. Under this initiative, FOWODE has carried out extensive research and advocacy on making the budget gender responsive. This has included responding to the budget speech annually, carrying out gender audits and producing an annual alternative budget.

The Local Government Gender Budget Initiative advocates for gender equity in district budgets. It empowers

local governments to advocate for gender-balanced, pro-poor budgets, and for more transparent and participatory budget-making processes. This has focused on building the capacities of local level legislators especially women and technocrats, production of district gender policies, gender aware budget plans, carrying out local level research and providing technical support to districts to engender their plans and budgets.

An important aspect of the local level initiative is the formation of Village Budget Clubs. With the increased apathy in the communities of Uganda and as part of creating a space for gender budget activism, FOWODE has mobilised women leaders into Village Budget Clubs (VBCs). The VBCs are community groups that have been formed to specifically begin to question how resources are mobilised and allocated and whether the allocation criteria address the needs of poor women and men in individual communities. These clubs act as pressure groups and also provide space for women to develop agendas for influencing the local government process. It is the intention of FOWODE to ensure that the VBCs engage local and national government budget processes and take part in decisions on how resources should be mobilised and allocated.

### Achievements

FOWODE's achievements have been a result of consistent and aggressive advocacy through organizing strategic meetings with different stakeholders such as Parliament, Ministry of Finance, and Donors, presenting petitions to Parliament and engaging national programmes on a continuous basis such as the National Development Plan.

Ministry of Finance's Acceptance to start implementing gender and equity budgeting is one of FOWODE's greatest achievements. Since Financial Year 2006/07, the Ministry of Finance Planning and Economic Development has introduced a directive in the budget circular call on gender budgeting. It specifically calls on all accounting agencies to show how the funds given will address gender and equity issues in their sector. Since then different sector ministries, such as the Ministries of Justice, Works, Education and Agriculture, have attempted to show how they will address gender issues.

Over the past two years, FOWODE's gender budget advocacy has focused mainly on ensuring that gender (in) equality is a key component of the five year National Development Plan (formerly PRSP). Indeed the NDP has specifically identified gender inequality as one of the most binding constraints to national development and gender budgeting as a strategy to achieve national development.

At the local level, the formulation of district gender policies has provided guidelines for the integration of gen-

der in district plans and budgets. Gender has been recognized as an important aspect in planning and budgeting, and the district gender officer has been appointed on the Budget Committee. A community of activists has been empowered to demand for accountability which has resulted in changes being effected in some districts, for example in expanding the provision of health services.

Factors that have contributed to these achievements include the establishment of a Budget Monitoring and Analysis Unit within Ministry of Finance that has a gender audit function, a strong parliamentary budget committee with a budget office that offers alternatives as well as partnerships with key stakeholders and entry points for civil society to engage through the law. Finally, a pro-active civil society engaging on gender responsive budgets through the Civil Society Budget Advocacy Group (CSBAG) has been a key factor.

Although a lot has been achieved, some challenges such as inadequate capacity in government to integrate gender issues in sector plans and budgets, the inadequate skills to analyse budgets from a gender perspective and the lack of experts and gender-disaggregated data are still faced. This calls for continuous advocacy and capacity building in government sectors.

### Conclusion

Gender budgeting in Uganda has improved the shape of plans and budgets to be gender responsive and has enhanced the monitoring of resources to ensure that intended beneficiaries actually benefit and increased participatory planning and budgeting at the local government level. There is still a need for an enforcement mechanism to ensure that sectors adhere to directives on an engendering budget as well as to develop performance indicators for measuring progress. Gender budgeting is therefore not a one-off activity, but rather a process integrated into the overall budget and budget-making process of a country which calls for continuous engagement with the Ministry of Finance since it has a critical role to play. One of the important lessons FOWODE has learnt is that gender budgeting should be grass root driven if change is to be effected and for women to benefit from government programmes.

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## Experience with Gender Budgeting from South Africa

By Patricia Nyman

The oppression and exploitation of women is structural in nature, conditioned by both patriarchy and unfair market system. Therefore, the role of the state becomes important in addressing gender inequality, and it is in this context that a country's budget becomes an important instrument to allocate resources to address the position of women, in particular poor women. The extension of a social wage, social development, income and asset transfer, provision of basic services and infrastructure are among the key programmatic areas essential for changing the status of women in society.

Initiatives on gender budgeting world-wide have shown that it is possible to integrate gender into country national budgets. In South Africa, after the new dispensation there were various initiatives that experimented with mainstreaming gender into the national budget which went a long way to popularise gender budgeting. The gender budget initiatives have also scored important successes to build on, for example expenditure re-allocation, opening up the secretive budgetary processes to more transparency and accountability.

But on the other hand, care should be taken that gender budgeting does not merely become a public relations exercise. Whilst gender would be mainstreamed in the national budget, it may not show the full extent of gender budgeting, for instance whether there are changes in deeper processes, such as monetary or economic policies. As an example, in South Africa, the policy of inflation targeting

is gender-blind because it does not take into account the disproportionate impact on women. There is also number-crunching in terms of achieving international obligations, such as reports on the achievement of the Millennium Development Goals. This can be misleading in showing progress with regard to gender equality.

Within the national government of South Africa, there have also been discussions of gender issues being integrated into budget documents, as well as requirements that government departments disaggregate output indicators when preparing submission for the budget processes, but these are on the decrease. At a national level, the role of a well-established National Gender Machinery has not impacted on the budget as it should have. The new Ministry of Women, Children, Youth and Disabled has yet to be established and may play a strategic role in the budgetary process, but there are already concerns about the inadequate funding of the Ministry. The Gender Machinery is an important institutional arrangement that could play a strategic role to ensure that gender and women's issues are mainstreamed in the Budget.

A key area in the South African Minister of Finance's budget speech in February 2010 was the recognition of creating decent work and pursuing policies that will create decent work. Yet gender equality is at the heart of decent work, and no actions or programmes were referred to that would raise this central concept. Women, especially young women,

find themselves in casualised jobs with very few or no benefits or job security, in particular within the services sector, and it would then be important to put in place policies and resources that would create decent jobs in this sector.

In terms of food security and to address high levels of poverty, the zero (tax) rating of more basic foods does not find expression in national budgets. Women are responsible for looking after households, and high food prices have a disastrous impact on them. This is one area that gender budgeting has to bring a sharp focus to. Whilst generating income through capital tax, taxing luxury goods etc. is the norm, it would be great if basic foodstuff were regulated. This is one budget line that should be a common demand in the budgeting process. One of the major challenges is the trickle down of public expenditure to local level of government, which is most important for service delivery and is a gauge of whether gender inequality is being addressed. For example, the provision of basic services such as water, electricity and childcare facilities frees women from household work, and they can in turn use the time available to seek employment or engage in other income-generating activities. But cuts in social spending as a result of the need to reduce deficit budgets in the context of the economic crisis, neo-liberal policies and privatisation have a negative effect on women who bear the brunt of user fees.

The decline in public spending, in particular on maintaining and extending infrastructure and wages of the public service in areas such as education and health, hampers developments as well. The recent strike of the public service, especially teachers and nurses the majority of whom are women, is an indication of a gender-blind budget. Whilst access to public schooling is universal, there is also access to free health services for pregnant women and children under six years, as well as provision of services on HIV/Aids. However, the salaries and working conditions of teachers and nurses have not matched nor increased for the better with expanded service delivery, in other words the national budget has not taken this into account.

Allocation of resources from the national to the local level of government also indicate that salaries of government officials, consultants, procurements, etc. consume large portions of inadequate budgets, leaving little for actual programmes that may enhance the position of women. Here is an example to illustrate this: Despite the enactment of laws to deal with Gender Based Violence (GBV), there are serious challenges of implementation ranging from training of officials in the criminal justice system in how to deal with GBV to inadequate resources, for example at police stations. The question then arises what the most strategic location would be for the implementation of gender budgeting. Gender budgeting as a strategy to enhance the position of women is most important at the local level of govern-

ment because this is the coal face of implementation and is where concrete gains can be made. It is also at this level of government that additional funding support becomes apparent, with many NGOs carrying out the services that government is not able to perform, for example regarding GBV, HIV/Aids, reproductive rights etc. Thus partnerships become important.

In South Africa, there are strong civil society organisations that interface with the budgeting process, in particular the Women's Budget Initiative (WBI) and the People's Budget Process (PBC). There is also a link between parliament, civil society and government which has opened the door to ensure public participation, democracy and lobbying and that concerns are being integrated. However, there are weaknesses in civil society initiatives in terms of follow-through, raising mass public awareness and education, as well as monitoring of implementation. These weaknesses can be overcome through funding initiatives from continued development co-operation. It is only through a strong women's organisation and civil society movement that the strategy of gender budgeting will become a practice and implemented, thereby improving the status of women. As mentioned above, in South Africa, where some achievements have been made, for example the re-distribution of social grants, provision of some free basic services for the poor and women, skills development initiatives and public works programmes, the lack of a gender barometer makes it difficult to establish the impact of public expenditure and programmes on the status of women. This lack also complicates holding government accountable for its commitment to advance women's rights. The PBC has proposed a gender barometer as a strategy to analyse the gender impact of public expenditure, suggesting monitoring these spending areas: Social Protection, Basic Services, Employment and Economic Opportunities, Access to Assets, Gender Based Violence and the role and resource allocation of the Gender Machinery. This is also an area where development co-operation can play a role.

Gender budgeting as a mainstreaming instrument has gained ground over the last two decades as a result of sharing of experiences in the international community and women's organisations. We should continue to do so. However, we need to take into account that one size does not fit all. We have to see what works and what does not, based on our shared experiences.

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## Experience with Gender Budgeting from Austria

By Dr. Elfriede Fritz

Gender Mainstreaming was introduced into Austrian administration with a decision by the Council of Ministers in 2000. Four years later, in 2004, gender budgeting was introduced at Federal level in accordance with another decision of the Council of Ministers. The Austrian example shows that while the Ministry responsible for gender equality issues paved the way for gender budgeting, no influence on the Federal budget could be achieved without the strong backing of and active work towards gender budgeting of the Ministry of Finance. The Minister of Finance has an overall responsibility for budget management and a special competence e.g. for its guidelines, the drafting of the laws for the Federal budget or the budget estimates, the budget programme and report in co-operation with the other line ministers. The Minister of Finance is also in charge of taxation, the most important state revenue for industrialised countries.

The Austrian Federal Government defined the overall aim of taking gender mainstreaming in all budget policy measures of the ministries into account. An interministerial working group for gender mainstreaming and gender budgeting consisting of budget experts as well as gender mainstreaming officers drawn from all ministries was supposed to take care of it, but experience has shown that gender experts cannot implement gender budgeting. The budget experts in charge, especially the director general for the budget, supported the rapid implementation of gender budgeting, and the Ministry of Finance asked all other ministries in its guidelines for the budgets 2005/2006 and 2007/2008 to nominate projects with a gender aspect and published them as part of the budget documentation. These projects were of different contents and seriousness, ranging e.g. from reference to the internal advancement plans for women in the ministries and special education or training



measures for girls and women to the opinion that no gender aspect could be found in security or defence measures as they concerned men and women alike.

With another decision by the Council of Ministers in March 2008, the Federal Government committed itself to gender-responsive budget planning and structuring and to the use of the “Guidelines for Gender Mainstreaming in Law-Making” as well as of the “Working Aid for Gender Budgeting in the Public Administration”, published under the responsibility of the Minister for Equality Issues.

### Gender Budgeting as Part of the Austrian Constitution

Actual equality of women and men in budget management is now an objective according to Article 13 (3) of the Austrian Federal Constitution: “The Federation, the Länder and the Municipalities must aim at de facto equality of women and men in budget management.” This amendment to the Federal Constitution entered into force on 1 January 2009, introducing the legal basis for gender budgeting within the first stage of a general comprehensive Federal budget reform, also establishing a medium-term expenditure framework. National objectives for public finances as of 2009 are macroeconomic equilibrium, sustainable public finances and gender equality. As of 2013, the second stage of the budget reform foresees performance budgeting in Austria, also taking into account the aim of actual equality of women and men (Article 51 [8] and [9] of the Federal Constitution). The new constitutional budgetary principles are outcome-orientation including gender budgeting, efficiency, transparency and a true and fair view of the federal financial situation. Input/output/outcome information in the budget will then be interweaving. At least one outcome objective per chapter should directly address gender equality in each portfolio ministry. Starting with the 2009 budget, a part of the human resources plan concerns quantifiable goals to raise women to better paid positions and functions by 2013. Gender equality is well-anchored in Austrian legislation: Article 7 of the Federal Constitution (amendment 1998) obliges the Federal Government, the Provinces and the local authorities to equal treatment of women and men in actual fact. Since 1993, there have been a Federal Equal Treatment Act and a Plan for the Advancement of Women in each ministry. Even so, equal treatment is not yet a reality: We face a significant gender pay gap in the overall economy, and women are not yet equally represented at higher

levels of management. The situation should improve with measures of the National Action Plan for Equality.

### Gender Budgeting and Taxes

Budget income is mostly raised by taxes, which also have regulative and distributive effects on economy and society. The Ministry of Finance therefore concentrates on gender aspects of taxation, especially on income and salary taxes. Two studies from 2002 and 2006 titled “Is Austrian Income Taxation Gender Neutral?” were motivated by the assumption that, despite a neutral wording of tax legislation, gender specific differences in the economic and social situation of women and men should result in differences in tax burden. The main finding is that a moderate redistribution effect is in place in favour of women, which closes about one tenth of the remarkable gender pay gap Austria still faces. Another finding is that tax exemptions are mostly used by men. The gender analysis of the recent tax reform 2009 points out positive effects on working women, e.g. by deductibility of child care expenses or a higher child exemption in the case of both parents earning income. In 2010, another study looked into “Income and income dependent taxes of men and women” with similar findings to the afore-mentioned studies.

### Gender Budgeting in Austrian Development Co-operation

Gender equality and the empowerment of women is also an important focus of Austrian development co-operation. Austria has advocated the inclusion of gender-responsive budgeting in the development process in Doha 2008. The financial and economic crisis has gender specific impacts and places a disproportionate burden on women, in particular on poor, migrant and minority women. In its strategy for the International Finance Institutions, the Ministry of Finance tackles the gender aspect. The EU, which Austria is a member of, has fully committed itself to meet the Millennium Development Goals. The EU is the world’s foremost donor of development aid, accounting for 55% of the total (48 billion € 2006 EU ODA). Trade is an important catalyst for growth and poverty reduction in developing countries. The Roadmap for Equality between women and men for 2006-10 outlined six priority areas for action on gender equality, out of which I especially want to mention equal economic independence for women and men, which still is an aim according to the EU Strategy for Equality between women and men 2010-15. All these areas and aims could and should be objectives for and supported by gender budgeting, which needs the political will for implementation, and also understanding and co-operation of the experts in different fields at different levels. The EU offers the legal basis in the treaties, in directions and strate-

gies to incorporate gender equality and the empowerment of women in economy and trade policy in a coherent way.

### So why does reality not always work?

The neglect in macro-level policies of the inequalities in the gender distribution of paid and unpaid work – with implications for access to economic resources and opportunities – is a particular concern. Progress towards gender equality is slow, and this is in part due to the failure to attach money to policy commitments. Overall research shows that not enough attention is given to the impact of allocated resources, and this serves to perpetuate gender biases although budgets offer the potential to transform gender inequalities. The challenge ahead for Austrian performance budgeting is the formulation of equality targets by the ministries, as we do not have an overall target like economic independence for women. In formulating economic, finance or trade principles, the respective councils, working groups or committees in the EU or at national level are not asking for gender aspects. An informal working group on coherence established at the Ministry of Finance, consisting of interested experts of different ministries and NGOs, is discussing how gender aspects could gain more weight in these fields. The current global financial and economic crisis is challenging progress made in gender equality. Many budgets of EU Member States no longer fulfil the convergence criteria, and budgets should be brought back into balance. Be it either by cutting public expenditures - e.g. in healthcare, social or educational services – or be it by raising taxes, women will be strongly effected, and gender budgeting is in danger of not being seriously implemented. There may be a will, but there is obviously not enough money.

It is essential that both men and women actively participate in attaining gender equality. In the domain of economics, finance or trade, an important reason is that the respective working groups or committees are not always equipped or interested in dealing with gender aspects. For this reason, these aspects tend to be left to specialised gender groups, conferences or institutions. The obvious conclusion is that gender aspects need to be tackled not only by ministers of equality, but also by ministers of finance or economics in order to make gender equality a reality. To conclude: There has been a lot of progress towards equality during the last 15 years, but a lot more remains to be done.

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## Challenges in Implementing Gender Budgeting: A Workshop Account

By Merle Bilinski



No budget is gender-neutral. Rather, budget-policy processes reflect social, political and gender inequalities and thus represent an important aspect to address in implementing democratic governance – both in Africa and in Europe. This was the starting point for the Workshop “Gender Budgeting and Democratic Governance”, at which representatives of NGOs, trade unions and government development cooperation discussed their experience with implementing gender budgeting as a budgetary strategy in Bonn on the 24th September 2010. The focus of the Workshop was on strategic issues to address in order to democratise budgetary processes and establish gender justice. In this context, gender budgeting was understood as an empowerment strategy for societies that can strengthen people’s ownership of budget processes. Thus it not only has a gender-policy steering role but also contributes, in a wider sense, to transparency, accountability and democratisation.

From the reports on experience gained in South Africa, Uganda and Austria and discussed at the Workshop, it became apparent that broad coalitions in society are necessary between civil society, parliaments and the government in order to successfully and sustainably implement gender budgeting. Here, civil society has a twofold role to play: it has to be in a position to present itself externally as a social pressure group in order to demand a democratisation of budgetary processes while also implementing gender budgeting mechanisms at local, national and supra-national level in co-operation with the actors involved.

Political will on the part of the decision-makers expressed as gender-policy commitment by government officials and budgetary politicians is a further key aspect. For

often enough, the problem is not so much a lack of structures and mechanisms but their insufficient implementation by all actors involved. On the government side, effective sanctioning mechanisms therefore have to be introduced if gender-balanced policies are to be implemented. The precondition for this is working government institutions, which continues to represent a major challenge in many developing countries.

However, according to the Workshop participants, a lack of commitment or the weakness of government institutions is not the only challenge facing the implementation of gender budgeting. Insufficient economic and financial literacy affairs in many countries constitutes another hurdle both to Africa and to Europe. Women’s organisations in particular have to be strengthened and trained in monitoring budgetary processes. At the same time, public awareness raising is crucial in order to mobilise people to participate in budgetary processes.

The Workshop participants agreed on the significance that has to be attributed to gender budgeting with regard to establishing transparency, accountability and participation. This link between gender budgeting as a strategy to achieve democracy and accountability would have to be strengthened in the political debate in order to make progress in implementation. This also applies to the development community, in which gender budgeting is promoted too little as a development strategy, both at government and at civil society level. The introduction of new aid modalities could be a good opportunity to strengthen this aspect of gender budgeting.

A key demand expressed at Workshop was that, in the Africa-EU Strategy in particular, budget policy instruments be viewed more strongly from a gender perspective. Such an approach would do justice to the self-set claim of contributing to democratic governance. The new Action Plan on the implementation of the Joint Africa-EU Strategy, which starts to operate in 2011, offers the opportunity to take this aspect into account and thus contribute to a democratisation addressing both sexes.

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