



POLICY BRIEF



Effectiveness of Gender Budgeting on Gender Equality and Fiscal Space: Empirical Evidence from Asia Pacific.

Gender budgeting is a strategy used by governments to promote economic growth, inclusive development and equal realization of human rights. Evidence shows that employing gender budgeting processes can also advance gender equality in the domains of education, health and employment.

WHAT'S AT STAKE?

Gender budgeting is an approach to government fiscal policy that seeks to use a country's national and/or local budgets as a tool to resolve societal gender inequality and promote inclusive development. More than ninety governments around the world, a quarter of which are in Asia, are pursuing gender budgeting on the basis that it reduces gender inequality, and subsequently, causes growth, more equitable development of women and society, and equal achievement of human rights.

KEY RESULTS

- Gender budgeting efforts have a significant impact on gender equality outcomes as compared to economic growth.
- Public policy variables like public spending on health and education are also found relevant for progress in gender equality in the region.
- The implications of gender budgeting at sectoral level outcomes and level fiscal space are more ambiguous.
- The impact of gender budgeting on female labour force participation is found to be insignificant.

Existing studies link gender inequality to arguments of economic efficiency and equity. However, further research is needed to test empirically the initial link between gender budgeting and reduced gender inequality.

To study the impact of gender budgeting on reducing gender inequality in Asia Pacific countries, researchers Lekha Chakraborty (NIPFP and Levy Economics Institute), Mariam Ingrams (Harvard Law School and Fulbright Scholar) and Yadawendra Singh (Jawaharlal Nehru University) used panel data analysis to compare gender equality outcomes between countries employing or not employing gender budgeting. The impact of fiscal spending for health and education on gender development indicators was also measured on the assumption that higher spending in these areas yields better outcomes for inclusive development. This brief presents some of the key findings and policy insights gleaned from the analysis.

RESEARCH APPROACH

Researchers analysed the effect of gender budgeting processes on gender equality and fiscal space in Asia Pacific countries. An econometric estimation of the determinants of gender equality was established by using the Gender Development Index (GDI) and Gender Inequality Index (GII) as proxies for gender equality. Specifically, GDI data provided gender equality sensitive indicators on three dimensions – education, health and income – and GII data was used to capture gender disparities in health, women’s empowerment, and labour force participation. Datasets from the period covering 1990–2013 were used. The impact of gender budgeting on gender equality indicators in gender budgeting and non-gender budgeting countries was then analysed at the aggregate level and disaggregated levels.

KEY FINDINGS

The following key findings emerged from the panel data analysis:

Gender budgeting efforts have a significant impact on gender equality outcomes as compared to economic growth.

The panel data analysis shows that gender budgeting has a significant effect in increasing gender development scores (GDI) and lowering gender inequality levels (GII) among the Asia Pacific countries studied. Statistically speaking, gender

budgeting also has a significantly stronger relationship (higher panel coefficients) than economic growth with the gender equality outcomes measured.

Public policy variables like public spending on health and education are also found relevant for progress in regional gender equality.

The dynamic panel estimates reveal that public policy variables are linked to gender equality in the region. For example, the dynamic panel estimates suggest that gender inequality levels (GII) are significantly determined by public spending on health and female literacy, and gender budgeting initiatives.



The implications of gender budgeting at sectoral level outcomes and level fiscal space are more ambiguous.

Fiscal space is captured in the study at the sectoral levels in education and health. The coefficients of the panel data estimation showed that gender budgeting does not determine the fiscal space at the sectoral level. However, gender budgeting has clear effect on sectoral outcomes on health and education.

The impact of gender budgeting on female labour force participation is found to be insignificant.

It is unsurprising that gender budgeting is not statistically linked to female labour force participation. Budgetary allocations under gender budgeting in Asia Pacific countries are mostly on health and education, and not significantly on care economy infrastructure - like state subsidized childcare and early childhood education - or on other programmes related to women’s career empowerment. Increasing budgetary allocations to these areas would in turn increase female labour force participation.

LESSONS FOR RESEARCH, POLICY AND PRACTICE

The evidence from this analysis further strengthens the rationale for governments to employ gender budgeting to resolve societal gender inequality and promote inclusive development.

Gender budgeting is shown to be most effective when it involves changes to both policy-making processes (such as determining budgeting allocations and designing programmes) and administrative systems (such as tracking expenditures and monitoring programme outcomes). For governments already pursuing gender budgeting, additional steps can be taken. In Asia Pacific, for instance, governments can increase financial allocations under gender budgeting to care economy infrastructure and other programmes related to women's career empowerment to increase female labor force participation.

Governments must take steps to evaluate the impact of gender budgeting processes on reducing gender inequality.

Most studies evaluating the success of gender budgeting initiatives tend to focus on the success of their *implementation* - that is, whether governments are holding internal trainings on gender, undertaking gendered analyses of the budget, seeking and analyzing sex disaggregated data, and designing programmes and setting targets based on gender. Further study is needed to discern whether successful implementation of such programmes in fact helps countries achieve gender equality.

Future research could drill more usefully into the benefits of formalization of gender budgeting.

Given the low numbers of countries globally that have pursued gender budgeting through law, future research will need to cross a wider geographic range than the Asia-Pacific alone, and must control for other variables bearing on the success or not of legislative initiatives. Further research by the authors assessing how the formalization of gender budgeting is linked to better outcomes in gender equality and spending is underway, and looks specifically at the comparative advantages of fiscal or legal fiat models.

This brief was authored by L. Chakraborty, M. Ingrams and Y. Singh, and designed by K. Grantham. It draws on key findings of their working paper, "[Effectiveness of Gender Budgeting on Gender Equality and Fiscal Space: Empirical Evidence from Asia Pacific](#)."

Suggested Citation:

L. Chakraborty, M. Ingrams and Y. Singh. 2017. "Effectiveness of Gender Budgeting on Gender Equality and Fiscal Space: Empirical Evidence from Asia Pacific." GrOW Research Series Policy Brief. Montreal, Canada: Institute for the Study of International Development, McGill University.

Produced with support from McGill University and the International Development Research Centre (IDRC). The observations and views expressed in this work are the sole responsibility of the author(s).

OUR PARTNERS



The GrOW Research Series brings together scholarly research on women's economic empowerment and growth in low-income countries, and provides a conceptual and empirical basis for policy-making. It is also the official research platform for the Growth and Economic Opportunities for Women (GrOW) program. This series is housed at the Institute for the Study of International Development (ISID) at McGill University in Montreal.

GrOW Research Series
Institute for the Study of International Development Peterson Hall, 3460 McTavish St.
Montreal, Quebec, Canada, H3A0E6
Email: grow.research@mcgill.ca
Twitter: @GrOW_Research
www.grow.research.mcgill.ca