



Gender Budgeting in Finland

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Gender Budgeting

- Introduction to the concept, its background and history
- Experiences and examples worldwide
- Nordic initiatives
- Finnish situation – what is particular with our approach?



Importance of Gender Equality

- "If you want to see which way a country is headed, look at the country's budget and how it allocates resources for women and children"

(Pregs Govender, MP, South Africa)

- "Sex discrimination costs the Asia and the Pacific region \$42-\$47 bn/year by restricting women's job opportunities"

(The Economist, April 21st, 2007)

- Millenium Development Goals, Beijing+5, Monterrey...
- Long traditions in equality promotion in Finland and other Nordic countries
- Possibility of increasing the efficiency of budgetary appropriations



What is Gender Budgeting?

- Gender Responsive Budgeting (GRB), Gender Mainstreaming,... breakthroughs partially still looking for practical forms in policy
- Gender budgeting provides a range of methodologies for analysis of expenditure and revenue streams by gender, enabling policy makers, analysts and governments to understand any differential impacts on men and women of policy decisions.
- Gender Budgeting does not necessarily imply an increased focus on gender specific expenditure or revenue.



How to imply Gender Budgeting?

- What would be a good way to include gender perspective into the government budget?
- The question is linked to the goals of improving the efficiency, productivity and transparency of public financing and government
- Gender equality is not only something that is important in itself, it is also a tool for improving governance
- Two perspectives need to be included:
 - A) Planning → the budget
 - B) Follow-up monitoring → report of closing of the accounts



History of Gender Budgeting

- Australian Women's Budget 1984-1996
- Commonwealth Women's Budget Group
- French "livre jaune" (1 out of 27)
- South Africa...
 - Initiatives in more than 60 countries since 1995
- Worldwide mostly driven by NGOs and parliamentarians
- Earlier in Australia and recently in the Nordic countries initiated by Government
- ... and, of course, in Andalucia!



Nordic Gender Budgeting Initiative

- Proposed by the Finnish Government in 2001 (Minister for Equality Mr. Osmo Soininvaara (Greens) and the 2nd Minister for Finance Ms. Suvi-Anne Siimes (Left Alliance))
- Pressure for change coming from government and involving the Ministries of Finance directly
- "Bureaucracy"-driven, institutionalised
- Intention to eventually integrate a gender perspective in the whole budget (where relevant)
- Nordic Council of Ministers Gender Responsive Budgeting Project @ www.norden.org



Gender equality policy in Finland

- International agreements have had a strong impact
- A focus on gender equality, not only on women
- Good interaction and cooperation between government and the NGOs: from feminists to bureaucrats(?!)
- "The welfare state is a woman's best friend"
- Traditionally a strong focus on the labour market
- Two earner family model → support for working mothers (day care etc.)
- During the last 15 or so years the focus has broadened:
 - Reconciliation of work and family life
 - Violence against women
 - Gender mainstreaming
 - Men and gender equality (from 2004 -)



Finland

vs.

Spain

Gender Gap Index 2008 (out of 130 countries)

	Rank	Score		Rank	Score
	2	0.820		17	0.728
2007 out of 128 countries	3	0.804		10	0.744
2006 out of 115 countries	3	0.796		11	0.732
Population (mill. 2006)		5.29			44.88
Population growth (%)		0.38			1.65
GDP (US\$ billions), 2006		145.67			707.07
GDP (PPP) per capita		32,002			27,765
Mean age of marriage for women (yrs)	30			26	
Fertility rate (births per woman)		1.80			1.40
Year women received right to vote		1906			1931
Population sex ratio(male/female)		0.96			0.96

(Source: WEF The Global Gender Gap Report 2008)



	<u>Finland</u>	<u>VS.</u>		<u>Spain</u>
	Rank	Score	Rank	Score
Economic Particip.and Opportunity¹⁹	0.741	89	0.577	
Educational Attainment	1	1.000	58	0.994
Health and Survival	1	0.980	76	0.973
Political Empowerment	1	0.558	7	0.369
Length of paid maternity leave (working days)	105		80	
Female adult unemployment rate (%)		8.7		12.20
Male adult unemployment rate (%)	8.2		7.00	
Ability of women to rise to enterprise leadership*		5.67		3.63



Finnish Government Program

■ Section 10.11 Improving gender equality

"Gender equality is a central value in Finnish society. The Government as a whole undertakes to make determined efforts to promote equality in all its decision-making. Men and women must have equal opportunities in all spheres of life. The Government will, in the early days of its term of office, take steps to ensure that the **gender perspective is mainstreamed across all law drafting, budget procedures and other major projects.** Training will be provided in the various ministries to promote this development. Awareness of gender equality will be increased in comprehensive schools, and gender-conscious courses will be included in the education of teachers and kindergarten teachers. The gender perspective will also play a part in social and health care services and in the efforts to reduce health inequalities. More resources will be allocated to government agencies and women's organisations engaged in promoting gender issues."

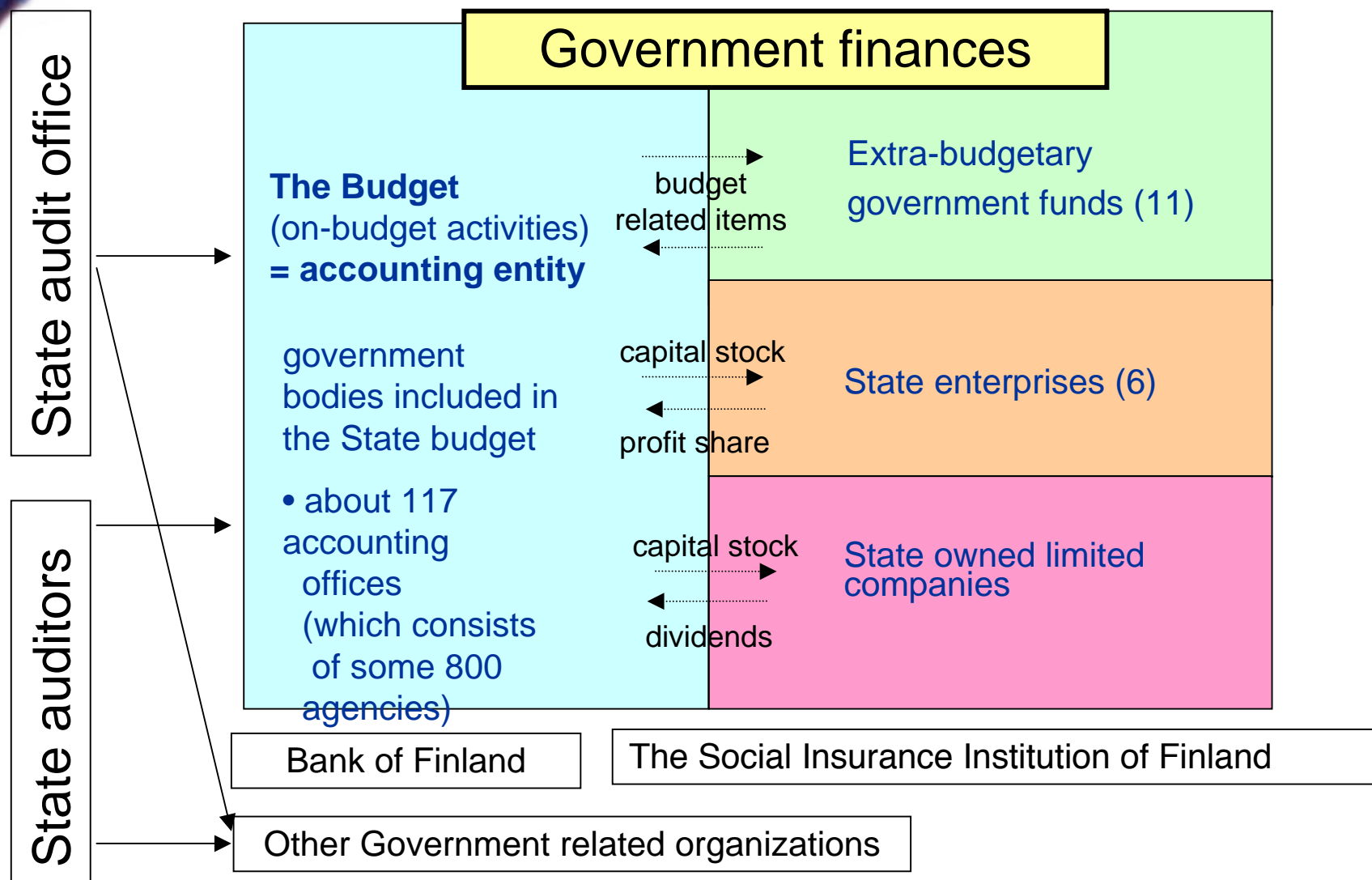


Budget procedure - The role of different actors in Finland

- Budget decided by the Parliament (which has full powers to change it!)
- Budget proposal decided by the Government on the proposal of the Ministry of Finance
- The administration implements the Budget
- Proposal prepared by the Ministry of Finance on the bases of the draft budgets for each administrative branch
- Each Ministry drafts a proposal for the Ministry of Finance for its respective administrative branch
- Ministry of Finance is empowered to give stipulations and instructions on the form and substance of the budget proposals

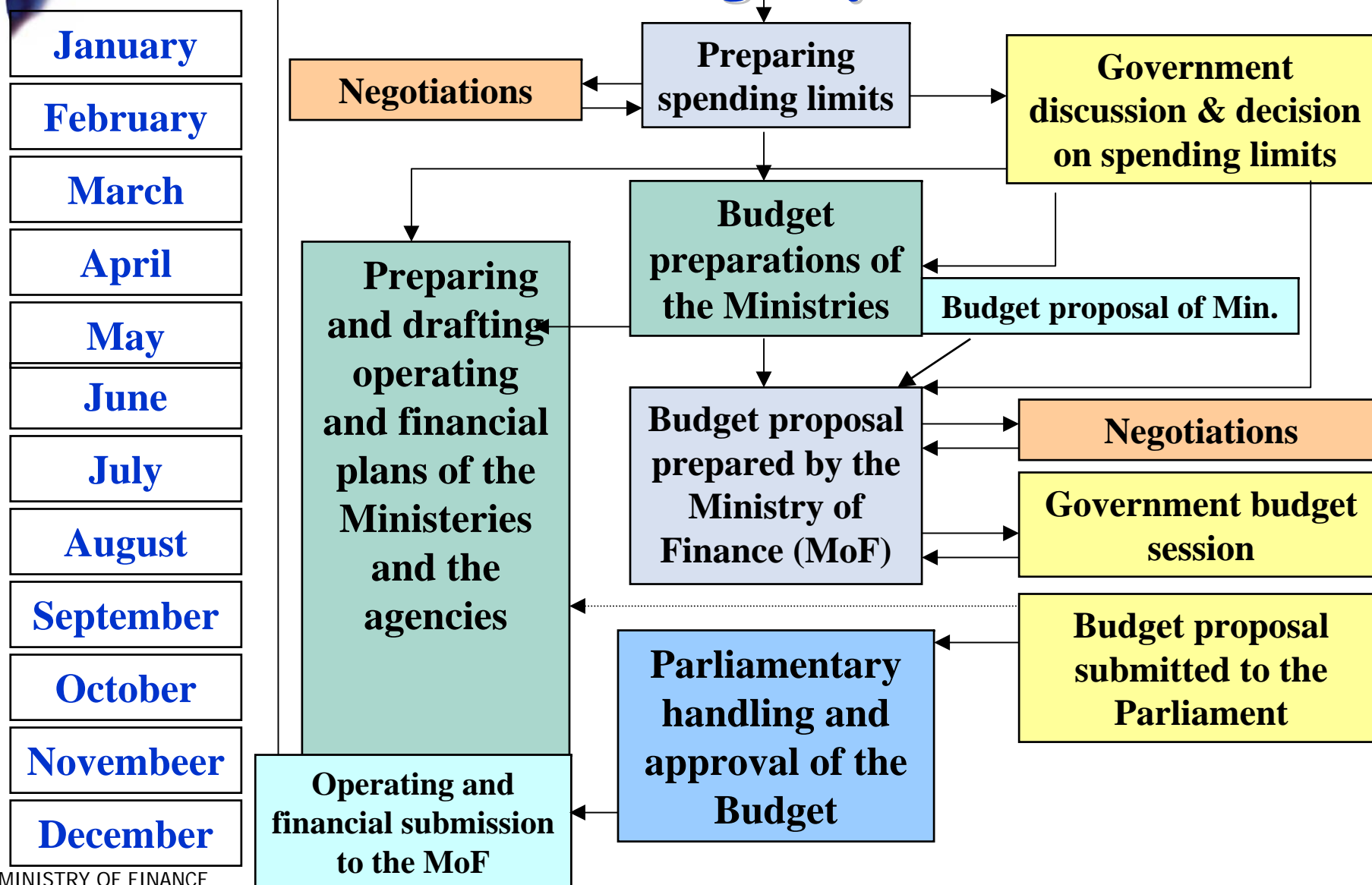


The Structure of Financial Administration





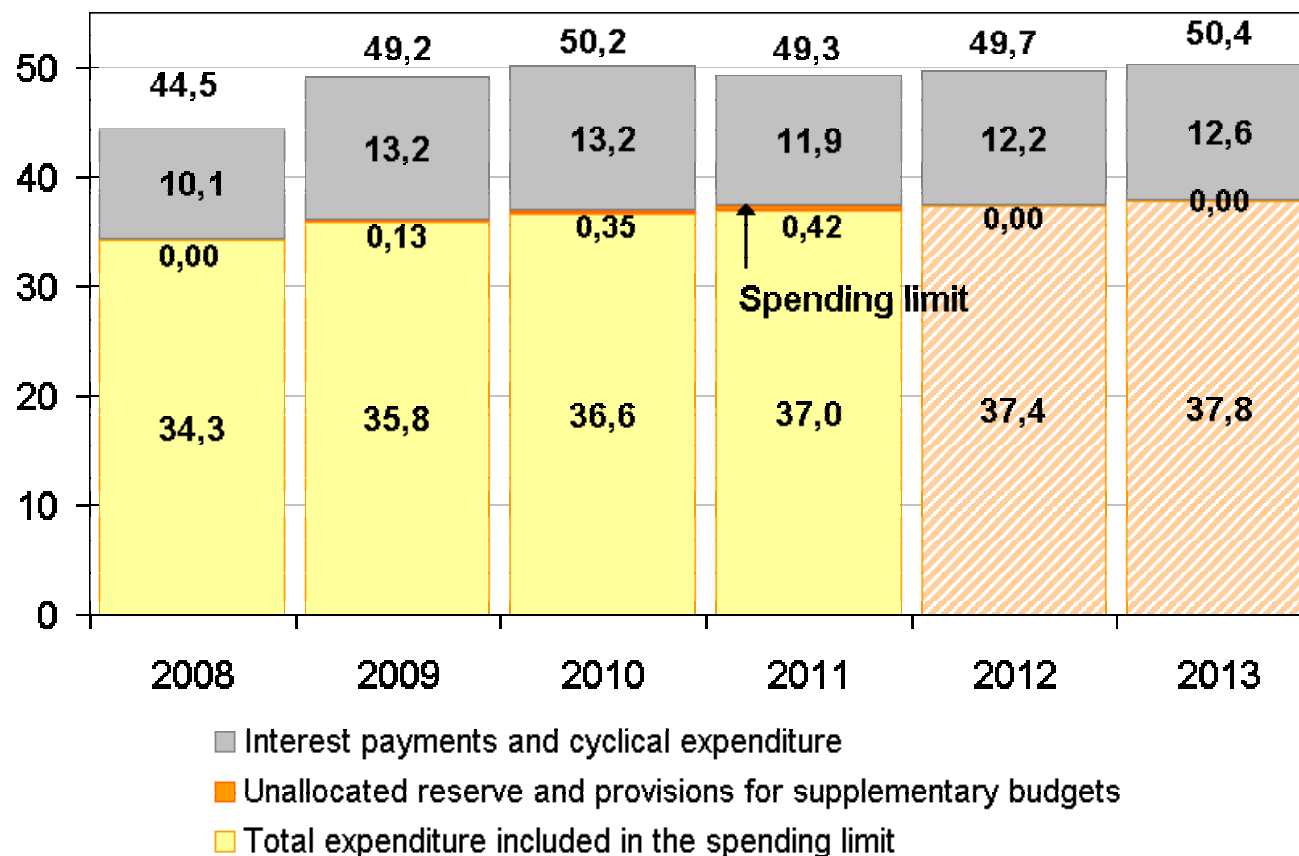
Operational and financial planning and budget cycle





On-budget expenditure and spending limits ¹⁾

EUR billion

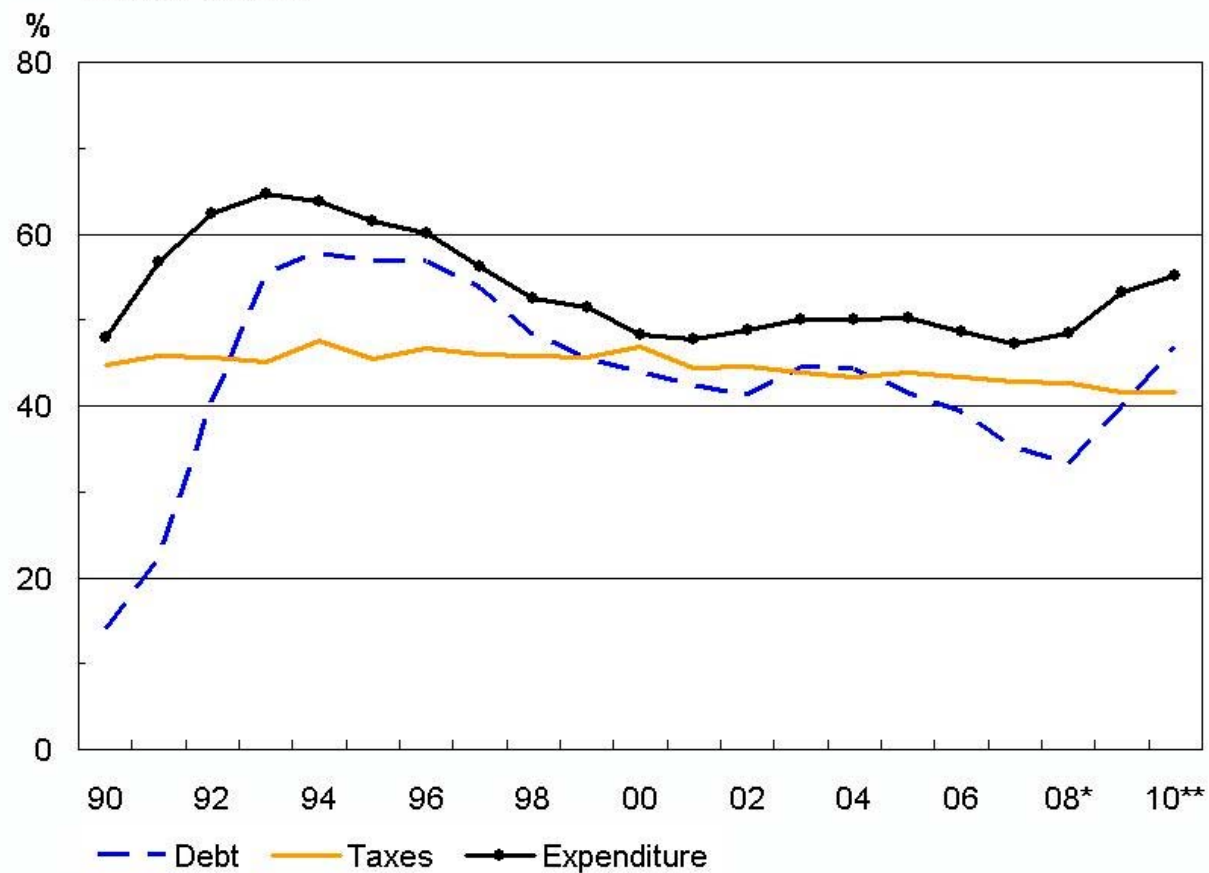


¹⁾ Spending limits expenditure for 2010-2013 at 2010 prices and expenditure for 2008-2009 at current prices.

Source: Ministry of Finance



General government taxes, expenditure and gross debt in ratio to GDP

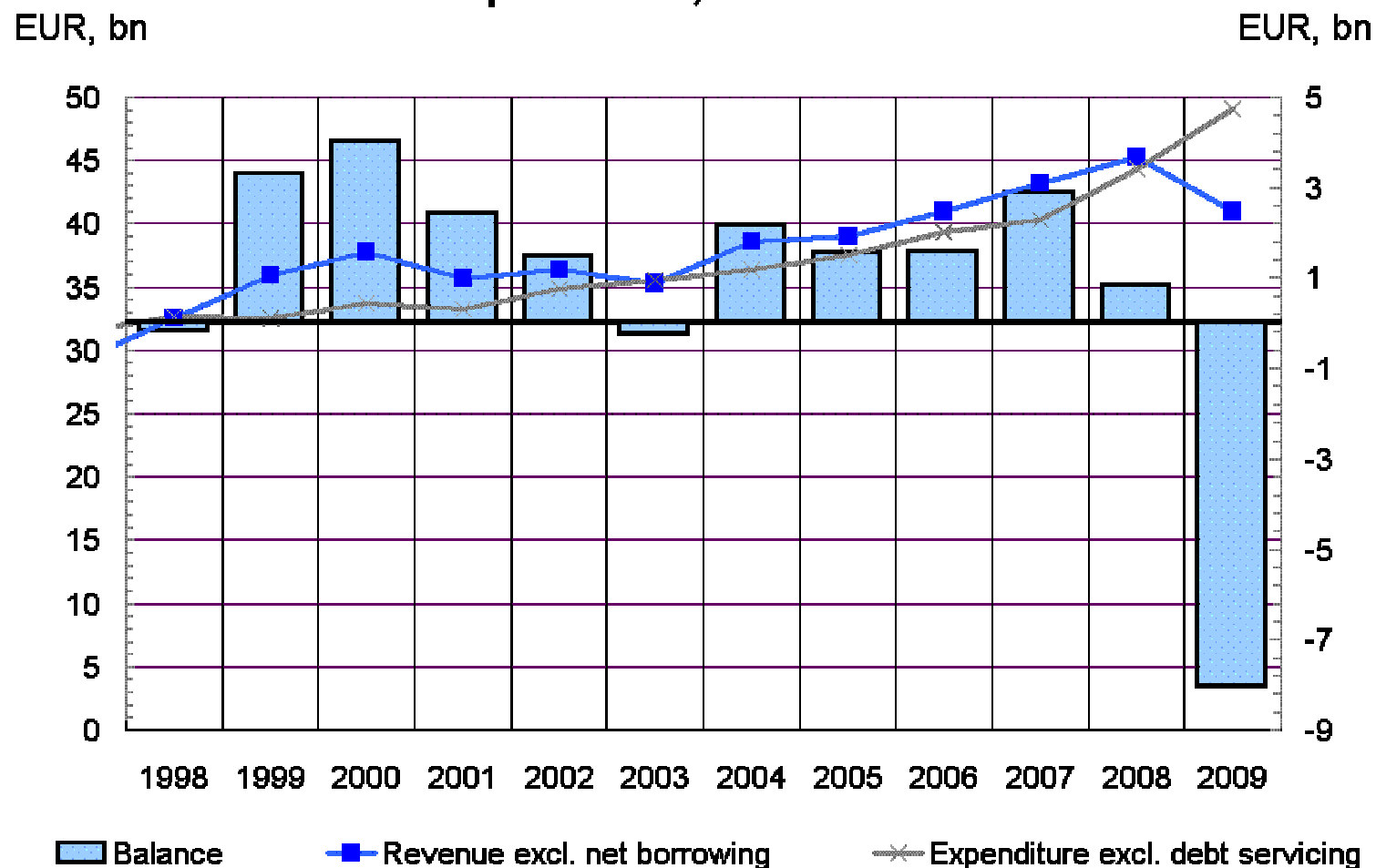


Sources: Statistics Finland, Ministry of Finance

24.3.2009/VMIKO/RK 17038



Central government budget revenue, expenditure, and balance

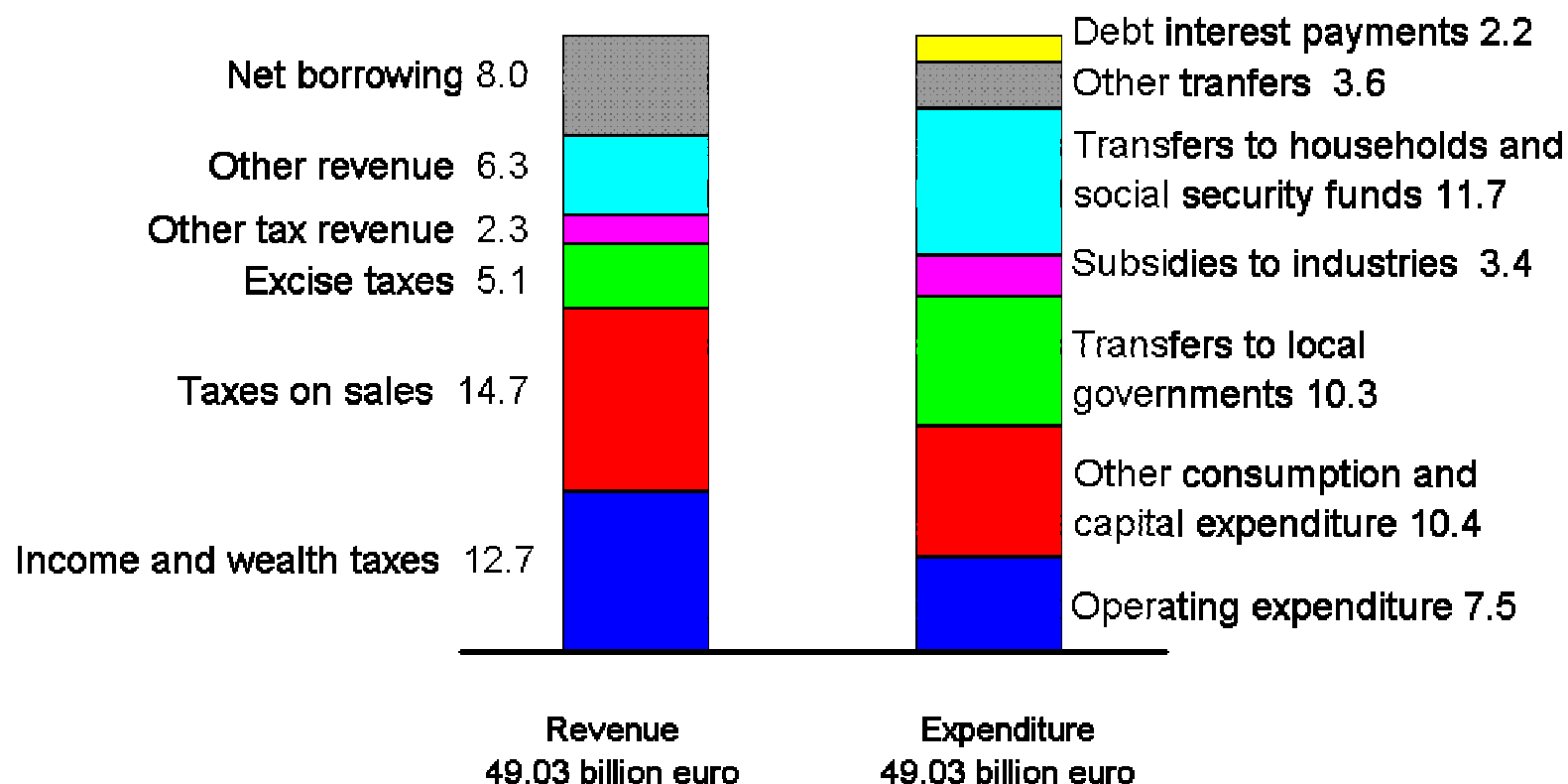


Source: Ministry of Finance

VMBO, Feb 3 2009



Central government budget revenue and expenditure in 2009, EUR billion

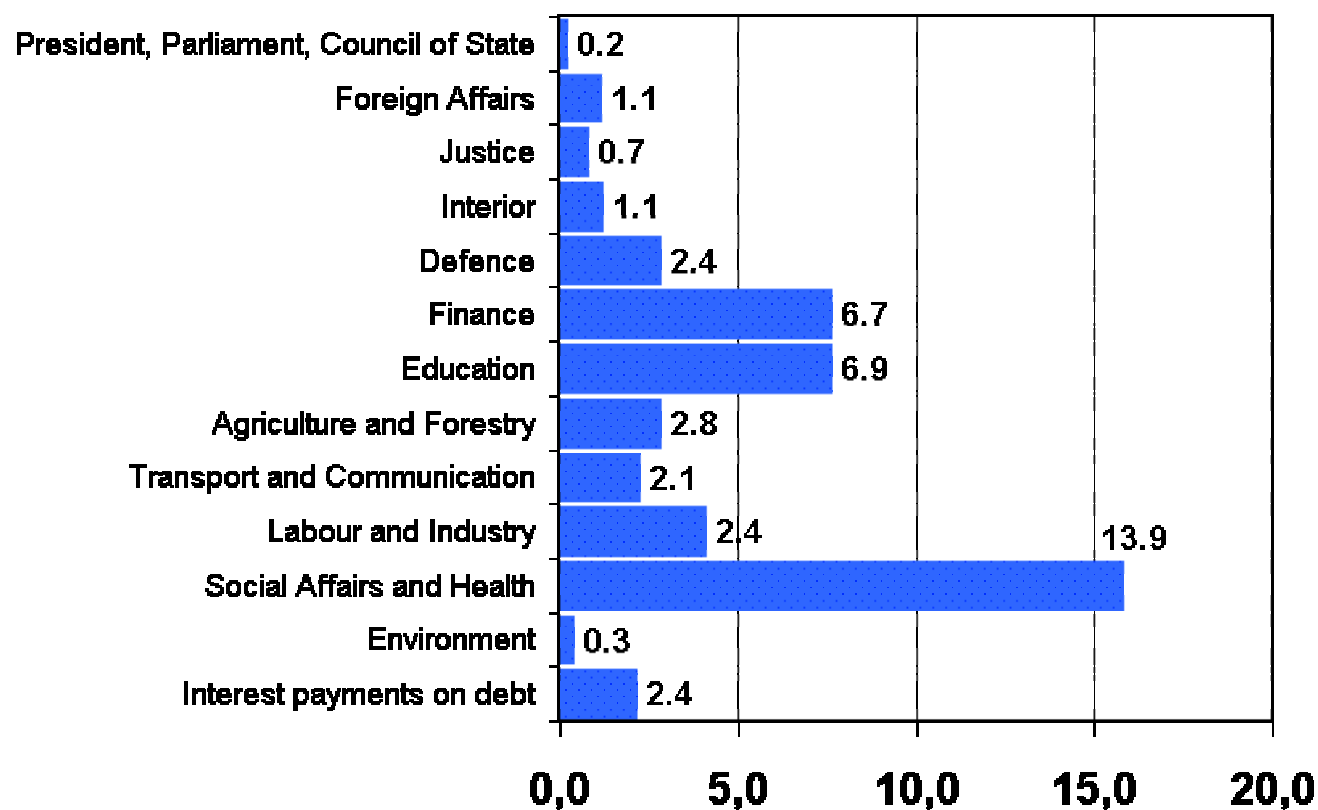


Source: MoF

MoF / Jan 3, 2009



On-budget entities' expenditure by administrative branch 2009, EUR bn



Source: MoF

Feb 3, 2009/VM/BO



Finnish way of gender budgeting

- **In some countries evaluation** of ongoing actions is how gender budgeting is done
- **In Finland reporting ongoing action** is the focus
 - As a result the people responsible for gender budgeting are inside the budget machinery, thus gender budgeting is integrated.
- The state's Controller-function
 - It evaluates budget proposals' overall usefulness for parliament
 - Evaluation includes evaluation on how well the ministries have included gender impact assessments in their proposals



Gender Budgeting in Practise

- Finding the best process/methodology
- Getting the Ministry of Finance interested (?)
- Fitting in the budget methodology
 - earlier the state budget was gender neutral/blind
 - highly aggregated appropriations
 - performance budgeting
- Best tools
- Gender disaggregated data
- Timing, frequency



Phases in Finland – 10 year cycle

- Nordic initiative (2001)
- The pilot project (2004-2006)
- New orders from Ministry of Finance (2006)
- Monitoring the impact (2007 –)
- Support for ministries (2008->)
- Sharpening the approach by political and administrative guidance (2009)
- All ministries on board (2010)
- Evaluation of how to go forward (2010-11)



Phase 2: The pilot project

- In 2004: the gender impact assessment for the budget of the Ministry of Social Affairs and Health
- Result: Sufficient background information is required for good impact assessments (gender segregated statistics, data production etc.)
 - No simple answer to how the gender impact assessment should be made
- 5 forums for gender impact assessment in the budget process/framework
 - 1) Ministries' strategic goals: is gender equality one of them?
 - 2) Expenses: how are they divided between sexes (ex. pensions)
 - 3) Budget Appendices: analytical attachments may be useful?
 - 4) Law proposals given with the budget: gender impact assessment of all proposals
 - 5) Key documents for monitoring the administrative branch



Phase 3: New orders on budgeting

- Ministry of Finance and Ministry of Social Affairs and Health agreed on a new rule for budget formulation
- The orders for all ministries for preparing their budget proposals came to include the following: "Each ministry must include a summary review of important gender impacts of activities related to the budget proposal in each ministry's budget chapter (paragraph 7.9.4 of the budget compilation regulation)"
- Thus, the review in question should focus on **important** gender effects of policies covered by the budget proposal for the forthcoming fiscal year
- This is a pragmatic approach to include the gender point of view to the national budget comparable to specific points of view of regional, environmental, poverty, innovation, productivity, ageing, health or other policies
- The implementation of this approach is being gradually developed to reach a balanced treatment of important gender effects in all policy areas/ministries
- More detailed and comprehensive gender impact analyses would be carried out in other contexts, not necessarily the budget



Phase 4: Monitoring the impact

- The results have varied between ministries
- In the 2008 budget, each ministry mentioned gender equality in one way or the other
- Only one third mentioned concrete actions and goals
- Only one ministry (Social Affairs and Health) had its statistics disaggregated by sex

Summary: Room for improvement remained



Phase 5: Support and re-evaluation

- Training for budget personnel in ministries (2008)
- In the 2009 budget proposal the ministries did better, but were still not fully compliant
- Key challenge: How to improve gender impact assessment in other planning and preparatory work in ministries → would help in including gender perspective in budget proposals
- How to include gender equality in budgets that are focusing on changes from year to year?



Phase 6: Sharpening the approach by political and administrative guidance (2009)

- More training by a pool of ministries
- **"Gender Glasses" –project:** Gender glasses enable a person to see things from the gender perspective
(<http://www.sukupuolisilmalasit.fi/Resource.phx/sukupuolisilmalasit/english/index.htx>)
- Strong guidance letter from the Minister of Finance and the Minister for Equality matters concerning the 2010 budget preparations



Phases 7. and 8

- All ministries on board (2010) ??
- Evaluation of how to go forward (2010-11)
 - Continue at the budget level?
 - Move to periodical evaluations?
 - Report gender impacts only in the Final Central Government Accounts?
 - What about the income side (taxes)?
 - Impact of the Financial Crisis?
- Training provided by all ministries
- Gender budgeting practice spreading to other levels of government (local, regional)
- Gender more in focus in the private sector as well



Examples from 2008 budget proposal

- Gender disaggregated statistics presented to enable judgements of whether grant divisions are fair
- Aim to increase female representation further in economic and political decision making
- Aim to decrease male/female income level discrepancy by 5 %-points by 2015 (currently at about 80%)
- Aim to evaluate gender impacts also from the male point of view
- Increase the share of fathers taking paternity leave (at 63% in 2000, estimated 72% in 2008)
- Increase the amount of loans for female entrepreneurs (now at 25M€/year)
- Encourage women to take jobs in male dominated sectors and vice versa
- Encourage men to do more sports to maintain health



Examples from 2009 budget proposal

- All recruiting and assignments will take the gender balance into account
- Reducing violence against women and children is the foremost goal of criminal policy
- Attainment of all goals will be assessed also by gender
- The effects on gender of the products and services provided by the Ministry of Transport and Communications will be assessed during the budgetary year
- Minimum maternity, paternity and parental allowances will be increased. Financing of these benefits will be changed to reduce the cost to female dominated branches
- Women's careers in both public and private sectors will be strongly supported
- Gender awareness will be promoted in primary schools, teachers' training and kindergarten teacher's training
- Services to homeless persons will be improved to take homeless women better into account



Some lessons learned

- Breaking administrative barriers is vital
 - Finance vs. Equality: getting on the same ballpark
- Budget is one link in a chain of decisions
 - The egg or the hen: To improve the gender perspective in the budget it helps if it is included in key planning and strategy work, and vice versa
 - Law-making is key (examples: Law on Occupational Health, pension system change, ...)
- Change takes time
- Time will change us...





Questions?

Thank you for your attention!