

# Gender Budgeting: A Step Towards a More Inclusive Society?

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## Executive Summary

The 2015 [Sustainable Development Goals](#) (SDGs) represented a concerted effort by the global community to recognise and tackle worldwide injustices, in the form of poverty, inequality and gender discrimination, in order to make the planet a fairer place for all peoples. This policy brief will consider the ways in which the leaders of the G7 member states have previously tackled issues of global development, and how the Canadian Presidency has done so this year. Specifically, it will look at development through a gendered lens, considering the effects of gender budgeting on global development, specifically its impacts on women and girls, men and boys, and, the broader global economy.

## Inclusive Growth for Sustainable Development

Development is central to Canada's G7 Presidency in Charlevoix this year.

['Investing in Growth that Works for Everyone'](#) is one of the five themes that constitute the most ambitious G7 agenda we have seen for some time. It further adheres to the feminist tone set by Canadian Prime Minister Justin Trudeau, championing economic growth through the empowerment of women and girls.

A growing body of evidence suggests that eliminating gender disparities and promoting the development of women are beneficial to society as a whole, by contributing towards the eradication of extreme poverty in order to build a more inclusive world. Women currently make up the majority of the world's poor, and are more likely to live in poverty than men. They often bear the brunt of hidden inequality, a phenomenon perpetuated by patriarchal societies, which exacerbates the poverty cycle. Low wages, longer working days and a lack

of decent work are some of the different social factors contributing to women living in poverty. Women also do at least [twice as much unpaid care work](#) as men, often on top of paid work. In light of this, [studies have found](#) that the reduction of gender inequality would result in rapid economic growth, improved labour productivity, healthier children, and a more responsive government. Women's economic empowerment is hence a win-win for the global economy. Policy initiatives to invest in education programmes for girls, or increase the age at which they marry, amongst other things, would serve positively to both impact on the GDP of a country, as well as empower women and ensure their rights as human beings.

### **A Gendered Approach to Fiscal Policy**

Prior to Trudeau's G7 Presidency, Canada had already started to consider gender with regards to development, producing the [Feminist International Assistance Policy](#) in 2017 that champions women's economic

empowerment as the most effective way to challenge poverty and inequality. Additionally, from creating the first gender-based cabinet, to the Financial Budget 2018, his administration has undergone a feminist overhaul, making it unsurprising that he has chosen to build the summit around gender equality. The abovementioned Budget 2018 was subject to a [gender based analysis](#), resulting in a complete gender budget statement. This addresses how differently policies affect men, women and gender-diverse people, as well as considering gender in relation to intersecting identity factors, such as race, sexuality or religion, and, in doing so, securing a more equal society for everyone. Canada is not the only country to promote gender-responsive budgeting (GRB); more and more countries are looking to promote equality through fiscal policy. If states are serious about equality, considering gender when deciding budgets is an excellent starting point.

Fiscal policies with a gender focus tend to have the effect of expanding female labour participation, and increasing the accumulation of human capital through education, training, and improved health and social services. GRB helps elected representatives to consider gender equality when deciding on the budget, as well as to encourage the participation of poor women elected representatives and grassroots humanitarian organisations in the budget formulation process. As such, the GRB reflects the ideology of [participatory budgeting](#) (PB), of which Brazil is a pioneer. PB ensures that community representatives, usually from low-income districts, decide upon the allocation of resources, adopting different criteria depending on what priorities they have for their area. Moreover, poorer districts receive more funding than the well-off ones in an attempt to redistribute wealth and decrease inequalities. At its best, PB gives poor people a direct say in how funds are used for local development, in order to improve facilities such as water, sanitation, drainage, schools, health clinics, etc.

As demonstrated, by adopting GRB, national budgets can be used more actively as a tool to support gender equality. GRB enables women to assess the levels of poverty in their communities, and to make demands and suggestions based upon what resources are needed in order to reduce poverty. It weighs up the benefits and costs of policies intended to promote gender equality and the development of women and girls, taking action and committing further funds accordingly. This is not a new idea. GRB has successfully influenced policies and programmes in developing countries, often with a specific focus on reducing inequality.

For example, in [Lombok](#), Indonesia, the GRB was used to reallocate funds to the salaries of midwives (as opposed to doctors), and the purchase of motorbikes and sterile equipment for them, instead of ambulances and hospitals. This improved the quality of the maternal health service, as well as improving the quality of life for midwives. There are [many more examples](#) of gender budgeting being

used to increase the quality of public services, as well as empowering women in developing countries.

### **A G7 History of Gender**

The year [1975](#) was named 'International Women's Year' by the UN, helping women to realise their full potential. It also marked the first meeting of the G6, as it was then. Although subsequent meetings of the G7 saw an increasing discussion of women's issues, it was not until the [1996 Lyon Summit](#), that women were explicitly mentioned in G7/8 history. Since then, gender has appeared with increasing frequency and importance in G7/8 communiqués.

The G7 Summit in Schloss Elmau in 2015 saw women's economic empowerment finally becoming a top priority on the G7 agenda. As a result, German Chancellor Merkel created the ['G7 Forum for Dialogue with Women'](#), meeting with delegates from different countries in order to discuss the empowerment of women and girls worldwide. This was continued in the

2017 Taormina Summit with the formation of the W7.

The UN's 2030 Agenda for Sustainable Development was also adopted in 2015. As the first summit following the Agenda, the 2016 G7 Ise-Shima Summit affirmed its commitment to the SDGs. As gender equality is one of the main goals, many world leaders are beginning to consider it more seriously than ever before.

While Japan's 2016 Summit continued to highlight the theme of women's empowerment through economic growth, Italy seemed to dedicate significant resources to taking gender seriously in the 2017 Taormina Summit. The first women's G7 (W7) met in April 2017, under the Italian Presidency, and resulted in the first [G7 Roadmap](#), which provides guidance on how to work towards a gender responsive economic environment. Italy also commissioned a report for the IMG on [Gender Budgeting in G7 countries](#). This aimed at providing an overview of the GRB concepts and

practices in the G7 countries. It acknowledged that while Canada, France and Japan all published a gender budget statement, and most G7 countries undertake a gender impact assessment of new policy proposals, approaches and methods vary widely between and within countries. The report concludes that although equality has improved overall, gaps remain, and there is still much to be done in recognizing and eliminating negative implications from fiscal policies that fail to take gender into account.

### **The Charlevoix Communiqué**

Despite concern over [Donald Trump's trade tariffs eclipsing the G7 agenda](#), the leaders managed to agree to a communiqué which was initially signed by all members. Some of them pledged just under \$4 billion to educating women and girls, in an attempt to centralise gender and development within the 2018 summit. This will be used to support women acquiring job skills, improve teacher training and the curriculum for girls, and expand the quality of data

available on female education in order to promote better relations with humanitarian partners.

Additionally, the [Charlevoix Commitment on Innovative Financing for Development](#) focused on the importance of public finance, including official development assistance and domestic resource mobilization for sustainable development. It outlined the commitments the G7 members made in order to work towards the aspirations of the SDGs. However, within this commitment, apart from the promise of \$4 billion to educate women and girls, very little progress was made on specific policies, promises and programmes that would work towards reducing global inequalities through the promotion of women. The commitment does indicate a degree of inclination towards “gender-sensitive development investment”, however, fails to provide any substantive information as to what that actually means, and how they plan to ensure its implementation globally. Following the Italian report on gender budgeting in the G7 countries and

Trudeau's own positive history of gender analysis on fiscal policy, one would have expected a firmer discussion concerning the role of gender analysis in order to promote a more inclusive fiscal policy.

As always, the G7 leaders seem to have fallen short of meaningful commitments to change. If they were serious about eradicating extreme poverty by addressing gender inequalities, they could perhaps have made a more concerted effort to look at their own fiscal policies, in order to address severe and widening inequalities within the G7 member states. By making a commitment to eliminating gender inequalities in their own countries, they could set a meaningful example to other countries, and convince others to adopt gender-positive policies, such as gender budgeting.

### **Conclusion**

The feminist turn of the Canadian G7 provided an interesting break from

more traditional summit agendas.

However, with new emerging powers, and erratic leadership in the US, the relevance of the G7 is becoming more and more questionable as is clear from the limited commitment in the Charlevoix Communiqué in the area of gender and development. In order to successfully eradicate poverty and challenge inequality in line with the 2030 SDGs agenda, the G7 could be doing much more to challenge traditional structures of power, patriarchy and privilege within their own countries. Making a meaningful commitment to examine how fiscal policies discriminate against women and perpetuate the cycles of poverty would have been an excellent start. A [key concern](#) remains that despite all the talk of breaking the proverbial glass ceiling, many women, their needs ignored, are being left behind to sweep up the shards.

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