

# **How gender-responsive budgeting can contribute to the PRSP**

**Debbie Budlender  
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Government of Pakistan  
Finance Division  
Gender Responsive Budgeting Initiative (GRBI)

## Poverty Reduction Strategy Paper and Gender-Responsive Budgeting

### How gender-responsive budgeting can contribute to the PRSP

The PRSP document of December 2003 reads as follows at paragraph 6.5:

In the longer term, the government will support the use of gender responsive budgeting (GRB) in analyzing the federal, provincial, and district government budgets to determine the extent to which resources are allocated to address gender inequality and impact of budgetary expenditures on different gender groups. It, however, does not construe separate budgets for women. The Government aims at launching a pilot study with the assistance of donors for post budget analysis, to begin with, or education sector at the federal, one province, and two districts (rural and urban). Gradually, the institutional mechanism is likely to be in place on successful completion of the study. This will not only facilitate in improving women's status but also will introduce allocation efficiencies and contribute to national, social and economic development of the country. In addition, GRB can be help in measuring progress on national and international gender related commitments.

As noted in the fifth line, GRB is not about constructing separate budgets for women, or separate budgets with 'gender' allocations. Instead, GRB involves examining all aspects of the budget and the policies and programmes which underlie them to ensure that the budgets and policies promote gender equity. GRB is thus similar in many ways to the Medium Term Budget Framework (MTBF) approach which the Government of Pakistan (GoP) is currently introducing at federal and provincial level.

MTBF is described by GoP as an initiative which attempt to 'use budgeting as a tool rather than as a process of "cost accumulation"' [from presentation at PRSP workshop on 12 December]. In particular, it is a tool of prioritisation (choosing between different options), and a tool for ensuring that budgets follow policy rather than vice versa. In a country such as Pakistan, which has a PRSP, the MTBF helps ensure that budgets are used to implement the PRS, as the over-riding policy framework of the country.

Like the MTBF, GRB is concerned with aligning budgets with policy objectives and commitments, and with measuring the outputs and outcomes of the budget expenditures to ensure that the money is spent as planned and achieves what it was intended to achieve. GRB's added value is that it incorporates the GoP's commitments in terms of gender equity and women's empowerment into the exercise. It does this by considering gender-related policy commitments when matching budget to policy, and by building gender into the targets and indicators for monitoring budget execution. The latter is achieved both through disaggregation of relevant targets and indicators (e.g. those relating to services delivered to individuals) and through addition of gender-relevant targets (e.g. indicators related to maternal mortality or violence against women).

GRB involves limited additional effort because it builds on existing frameworks. But it can contribute far more than the marginal extra effort involved. Further, the effort is concentrated mainly in the initial stages, when the necessary modification of formats are developed. After this it becomes part and parcel of every day government processes.

Pakistan's PRSP document of 2003 discussed GRB in the chapter on 'Gender Equality and Empowerment of Women'. Pakistan's Gender Responsive Budget Initiative (GRBI) has adopted a 'mainstreaming' approach to gender. This means that gender is considered in 'ordinary' policy rather than treated separately. Mainstreaming is the reason that Pakistan's GRB Initiative is housed in the Ministry of Finance at federal level and the Finance Department at provincial level. It is housed there because it is these agencies that are responsible for the budget. The role of the Ministry of Women's Development is to assist the Finance agencies should they need assistance with gender analysis. In the revised PRSP, then, discussion of GRB would probably fit best into the introductory section to the chapter on the strategy going forward, although it could be referred to elsewhere in the paper as well.

GRB can be especially useful for the PRSP because of the strong links between gender and poverty. The core pillars of Pakistan's Poverty Reduction Strategy (PRS) are:

- Accelerating economic growth while maintaining macro economic stability;
- Improving governance;
- Investing in human capital;
- Targeting the poor and vulnerable.

GRB contributes directly to the achievement of these pillars in the areas of:

- improving governance, (a) by making it clearer to government officials, legislators and the public what government is doing and why and (b) by increasing participation in the policy and budget processes;
- investing in human capital, by promoting the utilisation of all the potential human resources in the country, without gender bias; and
- targeting the poor and vulnerable, by focusing on those who most need government assistance and are least able to provide for themselves, whether because of gender, location, poverty or other characteristics.

The World Bank's PRS sourcebook recognises the importance of considering gender when developing a PRS by devoting a chapter to the topic. This chapter provides tips for integrating gender into the poverty diagnosis, into the poverty analysis that defines the priority public actions of the PRS, and into the PRS monitoring and evaluation system. It addresses participation (i.e. gender balance in various teams) as well as more substantive issues which are especially important in the redrafting of the PRS in Pakistan.

The chapter suggests four steps which have some analogies with the five steps of GRB as well as with the different aspects of the MTBF, namely:

- Identify gender issues in the poverty diagnosis [GRB step 1: situation analysis]
- Translate the gender dimensions of poverty into the selection and design of priority public actions [GRB step 2: policy analysis]

- Design indicators to evaluate the effectiveness of the PRS programme in reaching and benefiting both women and men [GRB step 4: examination of monetary and physical outputs]
- Ensure that participatory consultations give voice to both women and men [no equivalent GRB step].

GRB (like MTBF) provides a way of building these steps into annual government procedures rather than doing the steps only ever few years as part of a PRSP or MTRF process.

The gender chapter of the sourcebook refers in positive terms to GRB but does not go into this topic in any detail. The handbook notes that the South African initiative, which has inspired similar exercises elsewhere, stressed reprioritisation rather than increasing the overall level of government spending. GRB will thus not threaten the sustainable macroeconomic framework which needs to underlie the PRSP if the strategy is to be successful.

Pakistan's PRSP, like the PRSPs of many other countries, is based on pillars related to economic growth, human capital, and governance. The PRSP II will have a further two pillars related to inequality and income distribution and to targeting the poor and vulnerable. Gender is an issue in relation to all five pillars. In respect of economic growth, the economy will not prosper if it does not allow one half of the population to contribute to its full potential. In respect of human capital, it is widely acknowledged that females have been discriminated against in the past in terms of provision and today still suffer the legacy. In respect of governance, while Pakistan has had strong women leaders, women are generally under-represented among public leaders as well as civil servants. In respect of inequality and income distribution, in most countries of the world women predominate among the poor. While most households contain both male and female people, it is women, for example, who are often left behind in rural households while males migrate to urban areas. And households headed by women because of the death of their spouse have a greater chance than others of being poor.

Pakistan's PRSP, again like many others, envisages economic growth as the main route out of poverty. Yet the indicators for measuring progress are slanted heavily towards the social sectors and human capital achievements. Many of the indicators related to the social sector are disaggregated by sex. There is no gender disaggregation and no gender indicators among the limited indicators proposed in respect of the macro economy, poverty and employment. This pattern of indicators will give a skewed picture of Pakistan's achievements in respect of the PRS as well as a skewed picture in terms of achievement of gender equity and women's empowerment.

The observations in respect of the imbalance of economic and social in the PRSP are important from a gender perspective because gender is often seen as being relevant primarily in the social sectors. This perception might, in fact, be aggravated by the fact that the GRBI is focusing on the social sectors in the pilot years. This focus was chosen both because of the relative size of the budgets for Education, Health and Population Welfare, and because of the noticeable gender issues to be addressed. In particular,

females lag behind in education because of past, and sometimes ongoing, discrimination. In relation to health, a high rate of maternal mortality and factors such as under-nutrition of female infants and children mean that Pakistani women do not enjoy the natural biological advantage that they should in terms of longevity. Nevertheless, it would be a mistake both for the progress of the country as a whole and for purposes of women's empowerment to focus on the social sectors alone.

In practice, gender needs to be incorporated throughout the document. Unless women can contribute to their full potential to the economy of Pakistan, the country will not be able to achieve its full growth potential. Further, women's engagement in the paid economy will enhance their personal power and control over their lives, and thus contribute to gender equity and women's empowerment. On the social side, the PRS needs to consider both beneficiaries and contributors. At present women are making a substantial contribution to the economy and society, especially through their contribution in bearing, rearing and caring for the children and adults in the society. However, much of this 'production' occurs in the home and is unpaid. It is therefore often not recognised as production, despite the fact that it is recognised as such in the System of National Accounts.

In terms of policy, the revised PRSP needs to consider how the proposed economic interventions will affect women and men differentially. It needs to consider both how the interventions will affect those sectors and occupations in which women currently tend to be employed, as well as how women can be encouraged to step out of the traditional sectors and occupations and make a wider contribution. The revised PRSP needs a developed set of indicators related to the economy. These are needed even before one starts talking about gender. In terms of gender, these indicators need to reflect women's involvement in the economy.

To ensure that gender issues are addressed by PRS and Millennium Development Goals (MDG) interventions, gender will need to be incorporated into costing and expenditure tracking. In terms of costing, the model presented to master trainers as part of the PRSP drafting process provides for a separate gender module or 'sector'. This is presumably partly a response to the inclusion of a gender goal among the MDGs. However, the gender costing module goes beyond the MDG gender goal to include gender-specific interventions covered in the needs assessment for other sectors. It also provides for a gender needs assessment to what is needed to make gender policies (such as National Plans) operational. The latter allows the authors of the costing module to cover elements not (fully) covered in other needs assessments.

One of the costing presentations explains that the gender needs assessment will:

- Provide an estimate of resources needed to implement comprehensive gender interventions across multiple sectors;
- Serve as an advocacy tool for gender interventions during budget formulation and PRSP discussions; and
- Provide a tool to monitor implementation of gender interventions against quantifiable targets.

Both the first and the third of these points have a strong link to GRB.

Separate costing of gender interventions is intended to highlight and encourage such interventions. It could, however, potentially have the opposite impact. If gender interventions are seen as 'separate', it could mean that they lose out when resources are limited and choices need to be made between different interventions. Gender could be seen as a 'nice-to-have' rather than an essential part of mainstream policies. A better approach (and one in line with mainstreaming) might be to check that the gender interventions are included as part and parcel of the main sector interventions. This in fact already happens to some extent in the costing presented to master trainers. For example, the generic education module provides for:

- separate toilets for boys and girls for all schools [not always necessary in Pakistan, for example if there are single-sex schools];
- number of teachers (with emphasis on female teachers) [It is not clear how the emphasis on female teachers affects the costing];
- subsidies for 50% of girls in 2015.

The education spreadsheet also provides separate lines for costing of male and female teacher salaries. This is worrying as it could be interpreted to mean that male and female teachers are on different payscales. There are not separate line-items for training of male and female teachers. This might be more appropriate than separate costing of ordinary salaries if currently female teachers tend to be less educated than male.

In terms of expenditure tracking, the current PRSP includes a Gender Equality Matrix (pages 94-5) which lists a range of indicators. These are not particularly useful for expenditure tracking. Firstly, they consist mainly of outcome rather than output indicators. Secondly, they are not included with the main list of PRSP monitoring targets and could thus be overlooked in mainstream monitoring.

A better approach would be to ensure that the mainstream expenditure tracking mechanisms cover gender issues both through disaggregation of indicators where they relate to individuals, and through inclusion of gender-relevant indicators. Ideally, these indicators should match those developed for use in the MTBF so that the MTBF can more easily serve its purpose of ensuring that budgets are aligned with the PRS.