Gender Responsive Budgeting
What have we learned and what do we need to develop further?

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Gender Budgeting in International Perspective

- More governments that ever before claim to use Gender Budgeting
- International organizations like OECD, EU, IMF and World Bank promote gender budgeting
- Many governments focus primarily on allocations explicitly targeted to women or gender equality, seeking to ‘tag’ them in public financial management systems
- Most governments do not *follow the money from Inputs to Activities to Outputs to Impacts*
- Most governments do not include taxation or the macroeconomic dimensions of the budget
- See Elson, D.(2021)

How Can We Make Budgets More Gender *Responsive*?

- Tools to track allocations are good for transparency and accountability, now we need to focus more on changing the impact of budgets
- *Desired Impacts* -identification of key shortfalls in gender equality and wellbeing and assessment of required investments
- *Increased Inputs*-what expenditure allocations are needed ?
- *Improved Activities* – what improvements are needed in delivery of systems of public services, physical infrastructure, social security?
- *Enhanced Outputs* -what shortfalls need filling in care, education, transport, and other services)
- *Extended Fiscal Space*- how to provide more finance – increase tax revenue, explore new forms of borrowing

Increased Inputs: Consumption vs Investment

- Conventional approaches to budgeting distinguish current expenditure ('consumption') and capital expenditure ('investment')
- Building a new hospital, school, road, or windfarm counts as investment
- Operating these facilities (e.g. employing staff) counts as consumption (' day to day spending')
- Fiscal rules typically allow borrowing for investment but not for day to day spending
- Current expenditure is not seen as having economic returns and supposed to be covered by tax revenue
- See Elson 2016

Economic Case for Investment in Social Infrastructure

- Feminist economists categorise public services such as education, health, early years education and care, and care for elderly and disabled people, as ‘social infrastructure’, including not only buildings but also operating costs
- Like public spending on physical infrastructure, public spending on social infrastructure produces spillover benefits to the economy and society as a whole, with streams of returns accruing over many years
- Investment in social infrastructure, just as in physical infrastructure, incentivises private investment by lowering costs across the whole economy
- See Elson 2016

Returns to Investment in Social Infrastructure

- Conventional economic modelling does not capture the returns to investment in social infrastructure
- Feminist economists have modelled these returns for a number of countries
- Example: Investment in early years education and care creates jobs, generates tax revenue, supports women to enter the labour market, increases the capabilities of children and increases their future productivity
- For a study that assesses investment in social infrastructure more broadly for UK, identifying employment creation, revenue creation and productivity gains, see Onaran, O., Oyvat, C. and Fotopoulou, E. (2022)

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Improved Delivery of Public Sector Activities

- Improvement of delivery conventionally approached in terms of efficiency, productivity and reduction of unit financial costs
- Out-sourcing to private sector often seen as the answer
- For a UK example, see Bayliss and Gideon 2020,
- For a German example, see Young 2025
- Feminist economists point out that these approaches tend to sacrifice quality for both users and for employees, while profits are extracted, often by international financial companies
- We need investment that improves quality for both users and employees

Enhanced Public Sector Outputs

- Not only more but better, designed with gender and other inequalities in mind
- *Example :Transport in Western Balkans and Moldova*
- *Affordability and Access*: Public transport is often the only affordable option for women, yet routes are limited and unreliable, especially in rural areas
- *Responsiveness to Care Responsibilities*: Women's unpaid care work necessitates complex, multi-stop journeys currently poorly served
- *Safety and Security*: Women report feeling unsafe walking or using public transport at night due to harassment, poor lighting, and unstaffed stations
- Investment in transport needs to be designed to address these issues
- See Gender Budget Watchdog Network (2025)

Extended Fiscal Space

- Fiscal space for investments in gender-equality and wellbeing depends on:
- Reallocation from other categories of spending
- Revenue from taxation
- Grants from other governments or international organisations
- Borrowing by selling bonds in financial markets, obtaining loans from private and public financial institutions
- Here I will focus on measures to increase tax revenue

Taxation, Gender Equality and Wellbeing

- Indirect taxes (such as VAT) on everyday necessities are regressive and take a bigger proportion of the incomes of poor women than of rich men- they must be counterbalanced by progressive distribution of public spending
- Direct taxes on incomes, profits and wealth can be designed in ways that are progressive, with the better off paying a bigger share of their income, profits, and wealth, and in ways that do not create disincentives to women's labour force participation
- Tax breaks tend to provide windfall gains, mainly to better-off men
- We need to conduct national assessments of taxation from a gender equality perspective, focussing on how to raise more revenue through progressive, gender-equitable taxation
- For UK example, see Himmelweit and Pinto (2024)

An Example: Wealth Taxes

- Inequalities in wealth and income from wealth have grown much more than inequalities in earnings
- Men own considerably more wealth than women, so taxes on wealth and income from wealth are gender equitable as well as socially just
- Spain introduced a progressive solidarity tax at end of 2022 on very wealthy people (the top 0.5% of wealth owners), rising with their level of wealth
- Estimate for 172 countries finds a similar tax of 1.7% and 3.5 %, on the wealth of the top 0.5% of wealthiest in those countries, would increase tax revenues by about 7.3 %
- Adding up to more than $2.2 trillion globally
- See Palansky and Schultz (2024)

Key Recommendations

- Argue for acceptance of spending on public services as investment in social infrastructure, and estimate returns to this investment
- Focus on quality improvement not cost reduction, and demonstrate adverse impacts of outsourcing public services to financial companies
- Conduct national assessments of taxation from a gender equality perspective, focussing on how to raise more revenue
- Interrogate fiscal rules and put forward alternative fiscal frameworks
- Consider spending, taxation, borrowing and service delivery together in making an overall assessment See Grown, C. (ed)2025

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