



MONITORING GOVERNMENT BUDGETS FOR COMPLIANCE WITH CEDAW

Report Highlights and Key Conclusions

by

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For presentation at CSW side panel organized by UNIFEM entitled, Government Accountability to Gender Equality through Budgets, 7 March 2005, UN Secretariat Conference Room 5, 1.15 -2.45 P.M. UNIFEM plans to publish and disseminate Diane Elson's paper in its entirety as soon as it is finalized.

Women's human rights and government budgets: basic principles

As part of UNIFEM's commitment to support Gender budgets initiatives in more than twenty countries and the rights-based approach adopted in UNIFEM's programs, the report carried out by Professor Diane Elson and entitled "Monitoring Government Budgets for Compliance with the Convention for Elimination of Discrimination Against Women (CEDAW)" came to provide clarity regarding two key challenges:

- How can gender budget analysis help in monitoring compliance with CEDAW?
- How can CEDAW help to set criteria for what constitutes gender equality in budgetary matters and provide guidance for Gender Budgets Initiatives (GBIs)?

The report draws upon the Convention and documentation on the CEDAW reporting process, including reference to selected General Recommendations, States Parties Periodic Reports, and Concluding Observations. Reference is also made to relevant aspects of the International Covenant on Economic, Social and Cultural Rights, and the Convention on the Rights of the Child. The report also presents an accessible explanation of the main aspects of government budgets, and presents examples of the work of GBIs in all regions of the world.

Government budgets affect people in multiple ways:

- their *primary* impact is through distributing resources to people via expenditure to provide services, infrastructure and income transfers; and though claiming resources from them via tax and other measures, such as charges for use of public services;
- they also have *secondary, macroeconomic*, impacts via their impacts on job creation, economic growth and inflation.

The report clarifies that government budgets (like any other activity carried out by the state) should be constructed and implemented in ways that *respect, protect and fulfil* human rights. In turn, it is clear that government budgets are indispensable for the realisation of human rights, which cannot be realised without public expenditure and the revenue required to finance this.

CEDAW makes no *specific* reference to public expenditure or revenue, but it does impose the *general obligation* on States parties to take 'all appropriate measures' to eliminate discrimination against women, and to ensure 'the full development and advancement of women' (Articles 2, 3). On this basis it is clear that where the failure of the state to allocate appropriate resources is frustrating effective implementation of the Convention, they have failed to comply. Furthermore, article 3 of CEDAW imposes the requirement to ensure gender equality in relation to all human rights, including in their economic dimensions; and should be read in the light of the guidance on the requirements of international human rights law regarding resource allocation that has been provided by the International Covenant on Economic, Social and Cultural Rights.

This Covenant specifies that States Parties have the obligation of 'achieving progressively the full realization of the rights recognized in the present Covenant' 'to the

maximum of available resources'. The scale of the 'maximum available resources' depends not only on the gross national income (GNP) of a country, but also on how much revenue the government raises through taxation, the amount of interest it must pay to service its debt, and the extent to which it receives foreign aid. Although human rights law allows for the progressive realisation of economic, social and cultural rights over time, there is one clear immediate obligation upon states, the obligation not to discriminate, not only in terms of law, but also in terms of substantive outcomes.

Some human rights advocates and civil society budget analysts are beginning to work together to analyse whether budgets are being designed and implemented in ways that realise the human rights of children, poor people and indigenous people. This report aims to promote comparable collaboration between advocates of women's human rights and GBIs.

Reference to human rights in general, and CEDAW in particular, will not change government budgets overnight. Ministers of Finance tend to give priority to financial obligations, especially to creditors, rather than to human rights obligations, which they tend to regard as the responsibility of other Ministers. Moreover judicial use of international human rights standards is not currently widespread enough for this to be relied on as the major vehicle for shaping the ways governments raise and spend money. Nevertheless, the discourse of human rights can make an important contribution to improving government budgets. Budgets are never the outcomes of a purely technical process based only on financial analysis. In the words of Pregs Govender, former chair of the South African Parliamentary Committee on the Improvement of the Quality of Life and Status of Women:

'The budget reflects the values of a country- who it values, whose work it values and who it rewards...and who and what and whose work it doesn't.'

The discourse of human rights has a profound moral authority in contesting many current values which disadvantage women. Reference to CEDAW enables us to reposition women who are under-valued, who suffer discrimination, disadvantage and exclusion, as active agents, claiming what is rightfully theirs, not as victims asking for welfare handouts. Advocacy based on human rights has a moral authority that no economic analysis can ever have. The worst that an economist can say of a government's budget is that it is 'imprudent', 'unsound', 'unsustainable', 'inefficient'; while the human rights advocate can point out even if the budget is 'prudent', 'sound', 'sustainable' and 'efficient', if it violates human rights, it is unacceptable. Human rights must always take precedence over financial expediency, though this does not mean ignoring financial constraints. To have a stronger practical impact on budgets, human rights advocacy needs to be backed by detailed analysis of budgets, relating finance to human rights norms.

Conclusions and recommendations on CEDAW reporting and government budgets:

The report notes that the CEDAW Committee has begun to make more specific reference to the role of government budgets in relation to women's human rights. One example is

the *General Recommendation No. 24 on Women and Health*, issued in 1999. Other examples can be found in some recent Concluding Observations issued by the Committee after the consideration of reports by States Parties:

- In reference to Luxembourg in 2000, the Committee ‘welcome[d] the [Women’s] Ministry’s interest in, and support for, proposals to conduct a gender analysis of the entire State budget. This will contribute to a better understanding of the way in which women and men benefit from governmental expenditures in all areas.’
- In 2002, when reviewing Fiji’s report, the Committee ‘commend[ed] the efforts of the State party to strengthen gender mainstreaming and monitoring through the gender budget initiative, and a gender audit project.’
- The Committee has, on at least one occasion, asked a State to conduct a gender analysis of its budget and to report on the results. In its concluding comments concerning Austria in 2000, the Committee “request[ed] the Government to ensure, on a regular basis, the evaluation and assessment of the gender impact of the federal budget as well as governmental policies and programmes affecting women.”

Moreover some States Parties have made references to Gender Budget Initiatives in their reports. The first was South Africa in its first report in 1997. Another State party that has recently mentioned gender analysis of government budget in its report to the CEDAW committee is France.

This report provides many examples of how analysis conducted by GBIs is useful for monitoring the extent to which budgets comply with CEDAW. The report also shows how CEDAW provides standards that can be used to evaluate the results of analysis conducted by GBIs, to judge whether any particular aspect of the budget, is or is not, consistent with the achievement of substantive gender equality.

The report recommends:

- *greater efforts to institutionalize capacity for gender budget analysis in both governments and civil society;*
- *greater efforts to build links between the CEDAW reporting process and GBIs;*
- *development of some guidelines for what government should report to CEDAW about their budgets;*
- *development of some guidelines for how NGOs can incorporate gender analysis of budgets into their shadow reports.*

Conclusions and recommendations for assessing Gender Budget Initiatives:

As this report indicates, GBIs are very diverse and of varying scope and effectiveness. Given the diversity of GBIs, it is important to seek more information from states that report that there is, or is planned to be, a GBI operative within their country. This report concludes that the mere presence of some kind of GBI is not sufficient to ensure that the budget complies with CEDAW. It is recommended that the following questions be asked:

- What kind of GBI is planned or is operative in the country?

- What are the roles of the government, parliament, and civil society?
- What is the role of the Ministry of Finance and the Office of the Budget?
- Is the GBI institutionalised in on-going, regular, transparent procedures?
- Do women enjoy equal participation in budget decision-making?
- In what ways has it made women and girls visible in the budget?
- What impact it is expected to have, or has had, on women's substantive enjoyment of equality?
- What benchmarks or standards are used to assess the budget?
- How do the results of gender budget analysis influence the formulation and implementation of budgets?

No guidelines have yet been suggested for standards of gender equality that should be used in the evaluation and assessment of government budgets from a CEDAW perspective. This report is a contribution to the formulation of such standards, recognising that general benchmarks always have to be interpreted in the light of specific circumstances.

Conclusions and recommendations on a general approach to setting standards for CEDAW compliant budgets:

The report concludes that it is not possible to sum up the total comparative impact of the budget on males and on females in just *one* indicator, and use this to judge whether the budget is non-discriminatory and advances the achievement of substantive gender equality. The report recommends *a step-by-step approach, examining particular dimensions of the budget separately, taking into account their interactions where appropriate and possible*. The key dimensions considered in this report are:

1. Public expenditure;
2. Public revenue, especially taxation;
3. Macroeconomics of the budget (secondary impacts on inflation, jobs and economic growth);
4. Budget decision-making processes.

1. Conclusions and recommendations on public expenditure:

The report concludes that it is not possible to summarize the implications of public expenditure for gender equality in one single indicator. It is recommended that consideration should be given to the following issues:

- *Priority given to gender equality and the advancement of women in distribution of public expenditure between programmes;*
- *Presence of discrimination against women and girls in the distribution of public expenditure;*
- *Adequacy of public expenditure for realisation of obligations to gender equality;*
- *Gender equality in the impact of public expenditure;*
- *Gender equality and public expenditure reform*

Priority given to gender equality and the advancement of women in distribution of public expenditure between programmes

The report confirms that expenditure targeted specifically to women and girls is generally a very small percentage of total programme expenditure (typically between 0.5 and 1%). The report concludes that it is not possible to draw a general conclusion that compliance with CEDAW requires an *increase* in expenditures specifically targeted to women and girls, since many such programmes serve to reinforce traditional unequal gender roles.

The report recognizes that many programmes not specifically targeted to women and girls have benefits for women and girls. It considers the possibility of constructing an internationally agreed benchmark for the priority that should be given to expenditure that promotes gender equality and the full development and advancement of women, comparable to the 20/20 benchmark. The latter benchmark was agreed at the World Summit for Social Development in 1995. (It suggests that 20 per cent of expenditure on public programmes should be allocated to basic services, as should 20 per cent of foreign aid.) Compliance with this benchmark would undoubtedly have many benefits for women, especially poor women, but expenditure on basic services does not necessarily directly promote gender equality and the advancement of women.

However, examination of the analysis done by GBIs suggests there are many complexities in identifying which programmes promote gender equality and the advancement of women, since many programmes which have benefits for women, nevertheless serve to reinforce traditional unequal gender roles. These complexities suggest that it is not possible to identify *a priori* which programmes promote gender equality and the advancement of women. It is necessary to investigate the content and impact of programmes in a particular social context. This means it is difficult to construct meaningful *a priori* benchmarks comparable to the 20/20 benchmarks. A simple, quantitative, internationally applicable, benchmark for a gender equality expenditure ratio does not seem feasible.

Some governments have found it useful to require a minimum proportion of the expenditure of all public agencies to be devoted to the promotion of gender equality. For instance, the government of the Philippines requires that 5 % of the finance allocated to each public agency be allocated 'to address gender issues'. This may be a useful tool for persuading *every* part of the public sector to address gender equality issues, not just the national women's machinery. But experience in the Philippines shows that public agencies do not automatically spend this allocation in ways that do in fact promote gender equality and the advancement of women.

Presence of discrimination against women and girls in the distribution of public expenditure

The report clarifies that CEDAW is concerned not only with *de jure* discrimination but also with *de facto* discrimination. *De facto* discrimination does not entail any intention to discriminate on the part of the state. CEDAW also distinguishes between *de jure* discrimination and temporary special measures. The report concludes that a general benchmark of numerically equal shares of expenditure for males and females cannot be used as a test to the absence of discrimination.

Where separate public services are provided for men and women (e.g. schools or hospitals or sports facilities), in general the standards of provision should be equal. The recommended benchmark is that:

- *per capita expenditures on comparable services provided separately to males and to females should be equal.*

Any departures from this would have to be justified in terms of differing sex-specific needs.

For programmes providing services to both males and females, and delivering them on an individual basis, the recommended general benchmark is that:

- *the share of expenditure going to females should be at least equal to their share of the relevant population.*

In some programmes, such as education, this will generally imply *numerically equal shares of expenditure for boys and girls*, because there are equal numbers of boys and girls in the school age population. If girls receive less than 50%, this does not imply that the government is *intentionally* discriminating against girls, but it does mean that the government is failing to take measures to persuade and enable families to enrol girls in school at the same rate as boys.

In some cases, equating women's share of expenditure to their share of the intended beneficiary population may run the risk of preserving the traditional roles of women and men, to the disadvantage of women. So consideration would need to be given to additional expenditure on measures to promote greater equality in the sex-composition of the beneficiary population.

Some governments have tried to promote greater equality in the gender distribution of expenditure on poverty alleviation and rural development programmes through the use of quotas. For instance:

- Indian 9th plan (1995-2000) has a women's component requiring 30 percent of expenditure of a variety of poverty alleviation programmes to go to women
- In Mexico in the late 1990s, the Ministry of Social Development had a policy that 50 per cent of beneficiaries of poverty alleviation programmes should be women.
- In South Africa, the code of conduct for special public works programmes states that 60 per cent of the beneficiaries should be women. In the skills development programmes 54 per cent of the beneficiaries are meant to be women and 85 per cent black South Africans.

If this method is adopted, the rationale for the choice of the stipulated percentages requires clarification. The quotas in South Africa are chosen to reflect the needs of different groups, and relate to the percentage of women (and black people) in the target group (poor people and people who need skills development).

There are many important public services whose use cannot be broken down into individual units, consumed exclusively by this or that person. For example, street lighting, paved roads, sanitation systems, defence and policing. These services are described by economists as ‘public goods’. Here the appropriate benchmark for non-discrimination cannot be constructed in terms of male and female shares of expenditure. However, men and women often have different priorities for expenditure on ‘public goods’. The recommended benchmark is:

- *equal weight to women’s and men’s priorities.*

Some governments, such as that in the Indian state of Kerala, have found it useful to reserve a certain proportion of expenditure for meeting women’s priorities (10% of the development expenditure budget, in the case of Kerala). However, this runs the risk of excluding women’s priorities from consideration in allocation of the rest of the budget.

Adequacy of public expenditure for realisation of obligations to gender equality

The report clarifies that compliance with CEDAW requires consideration of the *adequacy* of funding. This is because it would be possible to have a non-discriminatory distribution of funding, but nevertheless insufficient funds to carry out the measures which are vital for the ‘full development and advancement of women’. For instance, girls and boys could enjoy equal shares of government expenditure on education, without the level of that expenditure being sufficient to provide education for all girls and boys.

To develop benchmarks for adequacy of expenditure requires going beyond financial *inputs* to look at required *activities, outputs and outcomes*. It requires:

- Agreement on the outcomes to be achieved;
- Investigation of the activities and outputs required to achieve the agreed outcomes;
- Investigation of the costs of providing these activities and outputs;
- Comparison of the costs with the finance allocated in the budget.

If the funding is found to be inadequate, it is also important to consider how more resources can be found, in ways that are in compliance with CEDAW. This might imply

- redistribution of funding between programmes;
- measures to increase tax revenue;
- increased foreign aid flows;
- and extension of debt relief.

The report recommends that reference is made to the UN Millennium Project, which has developed methods for estimating the costs of the services required to achieve the Millennium Development Goals including Goal 3, *Gender Equality and Women’s Empowerment*. These include services that protect women’s rights and enable women to claim their rights (e.g. Gender Equality Commissions, counseling services, legal services, media campaigns).

The report highlights an important finding from several GBIs, that poor women, who already have many demands on their time, are being required to subsidize the cost of

public services by making unpaid contributions of their time to help run some services. Care must be that inadequate funding is not masked by hidden subsidies of women's unpaid work.

Gender equality in the impact of public expenditure.

The report clarifies that it is possible to monitor how far a State Party has met its *obligations of conduct* by looking at the allocation of expenditure. But to monitor how far *obligations of result* have been met requires an investigation of the impact of public expenditure.

This means that monitoring for compliance with CEDAW must *follow the money* from the budget appropriations to the activities and outputs it funds, and investigate the substantive outcomes in terms of gender equality and the advancement of women. The report recommends the use of:

- expenditure tracking studies, to see if money gets through to the point of service delivery;
- beneficiary assessments, to see if the intended beneficiaries are satisfied with the services;
- quantitative studies of the links between public expenditure and gender equality and women's wellbeing.

To fully comply with CEDAW, a State Party needs to show that:

- the money did reach the point of service delivery as intended;
- the intended beneficiaries were satisfied;
- there were improvements in gender equality and women's well-being.

Gender equality and public expenditure reform

The report notes that in many countries measures are being introduced to reform the management of public expenditure, with the aim of making it more efficient. Some of these changes may make it easier to introduce gender equality criteria into public finance, but there is also potential for the introduction of measures that will create obstacles to gender equality. Among the reforms are:

- performance-oriented budgeting;
- decentralisation of expenditure and services;
- narrower targeting of public expenditure;
- privatisation of public services.

Rebecca Grynspan, former Vice President of Costa Rica, argues that women need to take a critical look at these reforms, as they may have 'perverse effects on women, in terms of their access to quality services and of the increasing and unpaid workload implicit in many reforms.'

The report recommends that:

- *governments be asked to show that they have designed reforms in ways that do not jeopardise gender equality and the advancement of women.*

2. *Conclusions and recommendations on taxation and user fees:*

The report examines the following key sources of revenue in the light of CEDAW obligations:

- personal income tax;
- Value Added Tax;
- excise tax;
- import duties;
- and user fees.

The CEDAW does not contain any explicit reference to taxation. However, CEDAW does contain general principles of non-discrimination and substantive equality that can be brought to bear upon taxation. In view of the fact that the distributional effects of taxation are generally discussed in terms of the impact on households, rather than individuals, it is relevant that Article 1 specifies that marital status is not an acceptable basis for any 'distinctions, exclusions or restrictions' which impair women's equality with men in the enjoyment of human rights. CEDAW requires that families be based on 'principles of equity, justice and individual fulfillment for each member' (General Recommendation 21 para 4).

The report clarifies that CEDAW requires that women must be treated as equal to men in tax laws; as individual, autonomous, citizens, rather than as dependents of men. Moreover, the impact of tax laws (in terms of tax burden/incidence and incentives for particular kinds of behaviour) should promote substantive, and not merely formal, equality between women and men, including egalitarian family relations.

The report concludes that substantive equality does NOT imply that 50 per cent of tax revenue should be paid by women and 50 per cent by men. It is a well-established principle in public finance that equality in taxation has to be related to ability to pay. Men on average have greater ability to pay than women, because on average their incomes are higher. The report recommends the following benchmark:

- *men's share of aggregate tax payments should be at least equal to their share of income.*

Income tax is the only one of the five revenue measures considered in which *explicit and intentional discrimination* against women may occur. This can happen in both joint tax filing systems and individual tax filing systems. The most obvious example is the allocation of tax exemptions and allowances for the support of dependents to husbands but not to wives. This is clearly in violation of CEDAW Article 13 (a) which obliges States to ensure equality between women and men in the right to family benefits. The report recommends that:

- *explicit discrimination should be eliminated by reform of the tax law.*

The report explains that income tax rules may also contain *implicit* discrimination because of their implications for the different incidence of tax on women's and men's earnings when they live in the same family. These arise because of the intersection of the

tax laws with pre-existing gender inequality in incomes, employment and responsibility for unpaid domestic work; with the different decisions different women and men make about how to combine paid and unpaid work; and with different forms of family (such as whether partners are married, unmarried, heterosexual or same sex).

The report finds that it is a complex matter to judge whether or not particular distributions of income tax burden discriminate against particular types of family, and particular categories of women. Many gender equality advocates would argue that the tax system should not result in a lower tax burden for families with breadwinner husbands and financially dependent housewives who do not engage in paid employment; but should result in a lower tax burden for more egalitarian families in which both partners undertake some unpaid domestic work and some paid employment. However, some women argue that this would fail to give equal treatment to women who have chosen to be exclusively homemakers compared to those women who have chosen to do paid work and unpaid work. They argue that criteria for equal treatment must take into account differences between women. The same principle could be extended to equal treatment for women who have chosen to create a family with a partner of the same sex rather than of a different sex.

The report concludes that CEDAW implies that all that women should be equally free to choose how to live their lives; and the tax system should not favour one set of choices above another. The recommended benchmark is that:

- *the income tax system should be neutral in the burden of taxation on different types of family, taking into account the value of unpaid as well as paid work, and irrespective of the marital status and sex of the partners.*

The great advantage of personal income tax is that its incidence is progressive, in the sense that those with higher incomes pay a higher proportion of their income in tax. Appropriately designed it can be an equality-promoting tax, reducing inequality in disposable income between men and women; and between rich and poor women. It is, however, harder to administer than direct taxes, for political as well as technical reasons.

VAT is levied on what people spend, rather than on their income. The report clarifies that while VAT does not explicitly discriminate against women, but it tends to *implicitly discriminate* against women. This is because the incidence of the tax on consumers is higher for poor consumers than for rich ones; and since women's incomes tend to be lower than men's, the incidence will tend to be higher on average on female consumers than on male consumers. VAT can be made more equitable in gender terms, by exempting goods mainly purchased by women from the tax. However, this will reduce the finance available to government and may mean that programmes important for the advancement of women are not financed. So exemptions need to be carefully considered. There is a strong case for exempting a good like paraffin, purchased by poor women for heating, cooking and lighting; but not for exempting a good like washing machines, used by better-off urban women. The report recommends that:

- *the VAT system should exempt basic necessities.*

As the report explains, excise taxes are likely to be less regressive, from a gender perspective, than VAT. This is because they tend to be levied on goods like alcohol and tobacco, which are consumed more by men than by women. At first sight this would suggest that higher excise taxes should be recommended to raise revenue to finance gender-equality promoting programmes. However, it is possible that inequality within households may permit men to shift the incidence of the tax to women and children, by reducing the amount of income that men devote to the needs of wives and children, so as to maintain their consumption of alcohol and tobacco. More research is required on this.

The report concludes that the effects of import duties on gender equality in employment depend on the particular structures of production and consumption of different types of economy. Exemptions from import duties for small quantities of goods may benefit small scale women entrepreneurs, but the biggest exemptions (such as those conferred by Free Trade Zones) go to the biggest firms, often to foreign-owned firms. The most important gender equality implication of trade liberalization is loss of revenue leading to declines in investment in social and physical infrastructure.

With respect to user fees, the report concludes that flat rate user fees for basic services tend to restrict the access of poor people, but with even more adverse effects for women and girls, than men and boys. They produce outcomes which are in violation of CEDAW obligations (especially Articles 10, 12 and 14). User fees can be made more gender-equitable through exemptions for the poorest people; but exemption schemes are difficult to administer, and may in practice benefit better-off people more than poor people. The report recommends:

- *no user fees for basic education and health services;*
- *low fees for basic amounts of water and electricity, higher fees for those who consume more.*

The structure of taxation has been reformed in many countries, to reduce direct taxation of incomes of high earning individuals and corporations; and increase indirect taxation, especially taxes like VAT. However, the revenue mix that is most suited to implementation of CEDAW would be one with:

- high reliance on income tax (reformed to remove provisions which hinder substantive equality between women and men);
- exemptions from VAT on a wide range of basic consumption items;
- excise taxes on non-necessities consumed mainly by men;
- no user fees for basic health and education services;
- no attempt to fully recover costs of water, sanitation and electricity from poorest households.

3. *Conclusions and recommendations on the macroeconomics of the budget*

The report finds that the main implications of CEDAW for the macroeconomics of the budget are as follows:

- that macroeconomic policy should support the women's right to (paid) work, on equal terms with men, (CEDAW Article 11); the work should conform to the ILO definition of 'decent work';
- that women should not suffer disproportionately if a budget deficit is reduced by cutting the level of public expenditure (CEDAW Article 2);
- that macroeconomic policy should ensure the 'full development and advancement of women', taking into account women's unpaid work, as well as women's paid work(CEDAW Article 2; CEDAW General Recommendation 17);

The dominant form of macroeconomic policy today is the neo-liberal form that aims to achieve growth of GNP and very low rates of inflation, via reduction of budget deficits, primarily through cutting expenditure. These policies have been described as marked by deflationary bias. The report shows that such policies have not been capable of providing decent paid work for all; and that women tend to be more adversely affected than men.

ILO data show that for the world as a whole, the female unemployment rate is somewhat higher than the male unemployment rate: in 2003, the global female unemployment rate was 6.4% while the global male unemployment rate was 5.5%. Both rates had risen over the ten years since 1993, when the female rate was 5.8% and the male rate was 5.5%.

In countries that do not have unemployment insurance, most people cannot afford to be unemployed if they lose their jobs, and so they have to find some kind of informal paid work. Informal employment, which tends to be low paid and insecure, and lacks social protection, is growing throughout the world. Typically, a higher proportion of women's employment is in informal rather than formal employment. Men tend to be somewhat less concentrated in informal employment; and their informal employment tends to be somewhat better paid and less precarious.

The report recommends that:

- *creation of decent work should be a target of macroeconomic policy, with specific targets for reduction of female unemployment , and increase in proportion of employed women who enjoy decent work.*

The report discusses the pressure to cut public expenditure. Examples are provided of how expenditure on services most crucial to the well-being of poor women has been cut more than other expenditures. The report recommends that:

- *Cuts should be subject to 'strict scrutiny' (as required by Committee on Economic, Social and Cultural Rights General Comment 14) to ensure this does not happen;*
- *Debt should be cancelled so that highly indebted poor countries can increase expenditure critical to the well-being of women.*

The report discusses emerging evidence that macroeconomic policies that are based on *high* levels of *both* tax revenue *and* public expenditure are more conducive to gender equality and advancement of women. The report recommends that:

- *governments should not be pressured to aim for low ratios of tax and expenditure to GNP;*
- *benchmarks for appropriate ratios of tax and expenditure to GNP should be derived from countries with high levels of gender equality and advancement of women.*

The report concludes that many governments have adopted, or had imposed on them, very restrictive policy rules which make it difficult to consider alternatives that would be better able to comply with CEDAW. These rules include balanced budget rules, and specific limits on the debt to GDP ratio and the budget deficit to GDP ratio. The report recommends:

- *more flexible rules for macroeconomic policy.*

The report concludes that it is vital to consider alternative macroeconomic policies because there is no simple rule that can validly be applied everywhere at all times. As John Loxley, one of the leaders of the Canadian Alternative Federal Budget puts it, ‘There is, however, no magic number representing the point at which the running of deficits or increases in debt should cease.’ There is always an alternative macroeconomic strategy which is *economically* feasible; but different strategies imply different distributions of the costs and benefits. The report recommends:

- *extensive and inclusive public dialogue about the macroeconomic strategy implemented through the budget, rather than reserving macroeconomic policy to a small group of officials.*

4. Conclusions and recommendations on budget decision-making processes

The report clarifies that CEDAW (especially Article 7) obliges governments to take all appropriate measures to ensure that women participate on equal terms with men in budget decision processes.

The report considers the four phases on budget decision-making:

- Formulation;
- Approval and enactment into law;
- Implementation;
- Audit and evaluation.

The report concludes that nowhere are women yet playing an equal role with men. However, special measures and/or reforms of the decision-making process have increased women’s participation, especially at local level, in some countries, including India and Brazil. Where this has happened there is emerging evidence of changes in spending patterns to better address women’s priorities (e.g. more expenditure on water and sanitation).

Links are also being built in some countries between GBIs and women elected representatives; and GBIs are building the capacity of women elected representatives, through training and through production of Briefing Notes. There are also examples of successful grass-roots mobilization of women to hold government to account for their

allocation and use of public expenditure. However, such efforts are hampered by lack of information, especially sex-disaggregated information; and lack of means of redress if money is miss-spent.

The report concludes that to achieve full equality for women in budget decision making requires:

- increasing the presence of women;
- increasing the capacity of women;
- reforming budget decision making processes to make them more transparent and participatory.

The report recommends *special measures to increase women's presence in:*

- *national parliaments, and in parliamentary committees that scrutinize budgets;*
- *local council, and in council committees responsible for budgets;*
- *participatory planning and budget processes.*

The report recommends:

- *on-going support for existing efforts to build links between women elected representatives and GBIs;*
- *support for new efforts to build links between women elected representatives and GBIs.*

The report recommends that men and women, as citizens, must have:

- *a right to information, including sex-disaggregated information;*
- *a right to demand a formal investigation or seek legal redress for mis-appropriation of funds and poor delivery of services.*

The collective mobilization of women to actively use CEDAW and to actively use GBIs will be needed to bring about real changes, and the full implementation of the vision of gender equality and the advancement of women which is set out in the Convention.