What is a Gender Audit

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August 2002
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About 20 years ago, in 1983, the Australian parliament made a precedent-setting decision. At the initiative of "femocrats" from the Labor Party, the political party then in power, a resolution was passed to look into how the national budget of Australia was likely to affect the status of women in the country. A year later that resolution was implemented, when the national budget was presented to the Australian parliament together with the first Women's Budget Statement. The Statement was an extensive report detailing the implications of the proposed budget for Australian women and girls (in this paper, references to "women" are meant to include girls as well as women).

Since that time, reports analyzing the effect of national budgets on the status of women have been published in some 40 countries around the world (Sharp and Broomhill, 2002). Some of them, like the ground-breaking Australian report, were composed at the initiative of the government. Others, like the Canadian Alternative Budget Exercise, were initiated by non-governmental organizations. Still others, like the Women's Budget Initiative of South Africa, were the result of cooperation between the central government and non-governmental organizations.

What is a "Gender Budget Statement" or a "gender audit" (also called a "gender budget")?

A "gender audit" is one aspect of what is referred to as "mainstreaming"- analyzing mainstream public policy, including legislation, regulations, allocations, taxation and social projects, from the point of view of their effect on the status of women in a given society. Gender audits analyze the income and expenditures of the government from a gender perspective. The basic assumption of gender audits is that public policy impacts differently on men and women. The variance stems from the different roles of women and men in the family and from the lower economic status of women. The purpose of gender audits is to lead to changes in public policy that contribute to an increase in gender equality.

Three international agencies -- the United Nations Development Fund for Women, the Commonwealth Secretariat and the International Development Research Centre -- encourage governments and social advocacy organizations around the world to do gender audits of their national budgets. They also promote implementation of the conclusions of those audits, to the end of making national budgets more equitable from the standpoint of gender.

Women and Unemployment

A gender audit of government programs designed to reduce unemployment needs to take into consideration the difference in unemployment rates between women and men. If the unemployment rate of women is higher than that of men, this should be taken into account when preparing a program to reduce unemployment. In such a case, if special efforts are not made to
assist women, the existing inequality in the area of unemployment will be perpetuated rather than reduced by the program.

Gender audits also take into account the differences between women of various ethnic groups and income levels. In Israel, for example, any program aimed at creating new jobs for women needs to take into account the fact that Arab women in Israel have very limited employment opportunities, and this prevents them from joining the labor market. The fact that Arab women do not usually work outside their own localities needs to be taken into consideration as well.

**Women and the Retirement Age**

Recently, changing the retirement age (presently 60 for women and 65 for men) has been discussed, the recommendation being to fix a uniform age for women and men -- 67. The purpose of the change is to save on national old-age pensions (social security) as well as workplace pensions. The idea sounds logical. However, the fact that the employment situation of women is different from that of men needs to be taken into account. After age 54, the workplace participation of women decreases by about fifty percent, from an average of 69% for the 25-54 age group to an average of only 35% in the 55-64 age group. Only 5% of women over the age of 65 are still to be found in the labor force. (For men, the decrease in workplace participation is more moderate: after age 54, the rate declines from 84% to 65%. After age 65, 15% of men are still in the workforce.) This being the case, changing the retirement age from 60 to 67 will have an adverse effect on many women, who will have to wait longer (after they have ceased working) to be eligible for old-age pensions. Some will have to apply for income support.

A gender audit of the national budget points to the areas in which efforts need to be made and allocations earmarked to promote the status of women in general and the status of women from disadvantaged groups in particular.

A gender audit of the national budget is not limited to examining the allocations earmarked specifically for women, since such allocations constitute a very small part of the total budget. In Australia, for example, it was found that the total cost of such allocations amounted to less than one percent of the national budget. A gender audit examines all the allocations in the national budget, including those that do not, at first glance, appear relevant to women. A past advisor to the Prime Minister of Australia described one of the goals of gender audits as "... to build into each department a clear awareness that everything they do, every dollar they spend, has an impact on women - - and that impact is very often different for women than for men" (Sharp and Broomhill, 1998: 6).
Why Gender Audits

At first glance, gender may appear irrelevant to budgeting. All a country's citizens are supposed to benefit from the services provided by the state. However, in practice, there are variations in the number and quality of the services accessible to different sectors of the population. For example, Jewish citizens of Israel receive more and better services than Arab citizens, and Jewish citizens living in the center of the country receive more and better services than those living in peripheral development towns. These phenomena are well known; what is less known is that there are differences in the benefits enjoyed by women and men. Since the national budget mentions neither women nor men, the common assumption is that the monies allocated benefit both genders to the same degree.

However, the fact that the national budget has no reference to gender does not mean that there are no differences in the extent to which women and men benefit from its allocations. Diane Elson, an Oxford-university economist recognized as an international expert on gender audits, describes the situation thusly, "As usually presented, there is no particular mention of women [in the budget], but no particular mention of men either. However, this appearance of gender-neutrality is more accurately described as gender-blindness" [emphasis mine -- BS] (Elson, 1997: 1).

The only way to ascertain whether or not the national budget benefits women and men equally is to perform a gender audit.

There are a number of international agencies that recommend that governments and NGOs perform gender audit of their budgets, for two reasons. Firstly, as long as the national budget fails to refer to gender, it cannot reflect the state's commitment to work for greater gender equality (assuming that such a commitment exists, following the UN Decade for Women and the Fourth UN World Conference of Women in Beijing, China in 1995). Unless a gender audit is done of the national budget, we cannot answer the question: Is the government doing everything it can to improve the status of women in general and the economic power of women in particular.

The second rationale for doing gender audits is that they raise women's awareness of economic issues. Generally, women are less involved than men in economic issues and even tend to avoid them. A gender audit of the state budget aims to raise women's awareness of economic issues in general, and of fiscal issues in particular, and in so doing to encush to take parin the budget-making process. Our assumption is that women's greater participation in the budget-making process will lead to an increase in the resources allocated to women: that is what happened in Australia during the years that gender audits were carried out as part of the normal process of budget-making (See Sharp and Broomhill, 2002). We also surmise that women's participation will lead to a more efficient use of the resources committed to areas relevant to women.

Who Conducts Gender Audits

Gender audits can be performed by governmental agencies, as was the case in Australia; they can be performed by non-governmental associations; and they can be
done by a cooperative effort of governmental and non-governmental bodies. We at Adva Center will continue to perform gender audits. The aspiration is that our work will serve as an example for government ministries, which will eventually begin to conduct their own gender audits.

What is Involved in Gender Audits

A gender audit of the budget involves examining both income (taxation) and expenditures (budget). Concerning taxation, a gender audit asks how the tax burden is divided between high and low-income persons, and between men and women. A gender audit also looks into how various kinds of taxes affect the care economy (the caring work done in the framework of the household: see below).

Regarding taxation, there is no awareness whatsoever in Israel of the fact that taxation may impact differently on men and women. Two national committees that in recent years submitted recommendations for tax reforms, failed to devote a single word to the issue of how the proposed changes would affect the tax burden on women in the labor force or the general burden on women working in the household.

Regarding the national budget, a gender audit of government expenditures examines who benefits more from the budget, women or men. Such an analysis first examines the expenditures of government ministries. In order to do this, more information has to be obtained than that presently found in the budget books. However, such information is difficult to obtain, as government ministries do not ordinarily perform gender breakdowns of the figures they collect.

Thus, the first step in doing a gender audit is to obtain budget data by gender.

For example, if we are talking about vocational training under the auspices of the Ministry of Labor, we will have to obtain a breakdown of unemployed persons enrolled in vocational courses for adults, by sex and ethnic group; another breakdown of persons enrolled in vocational retraining courses for academicians, by gender and ethnic group; and yet another breakdown of the vocations studied, by gender and ethnic group. After obtaining the above data, it will be necessary to calculate how the budget for vocational training is divided between men and women, and how this division matches the employment situation of each gender.

A gender audit also examines the payments of the National Insurance Institute (Social Security). Such an analysis involves examining the conditions of entitlement for each type of payment, as well as the effect of the conditions of entitlement on the number of women and men benefiting from the various programs.

For example, a gender analysis reveals that the conditions for entitlement to a general disability pension are more severe for housewives than for other persons with disabilities. For this reason, relatively few housewives receive such pensions.
A gender analysis of the budget also needs to examine service providers, that is, those employed by the government. Among other things, one has to check whether most of the persons employed are women or men, whether or not women and men receive comparable wages, and what their respective opportunities for advancement are.

In 1998, women constituted 89% of the social workers employed in local human services departments. Despite their overwhelming majority, they constituted a smaller majority - 77% - of social workers holding down full-time jobs and 76% of social workers holding administrative positions (Swirski et al, 2001: 100-104).

Questions Guiding a Gender Audit of Government Expenditures

We can summarize the foregoing by presenting the following questions, which might guide a gender audit of the national budget:

1. How does taxation policy affect women?

   **Example:** The income tax reform recently approved by the Israeli Cabinet and Knesset (the Rabinowich Committee recommendations) does not involve significant tax relief for most of working women, as the major tax relief is for persons earning NIS 20,000 to NIS 35,000 a month. Hardly any women earn salaries of this magnitude.

2. Who is the intended beneficiary of each budget line?

   **Example:** The budget line "rent subsidies" in the budget of the Ministry of Construction and Housing is designated mainly for new immigrants. In January 2002, approximately 13% of recipients were solo mothers, over half of them new immigrants (Ministry of Construction and Housing, 2002a, 2002b).

3. Who needs the service funded by each budget line?

   **Example:** The majority of persons needing long-term hospitalization are elderly women.

4. Who will actually benefit from the service?

   **Example:** In the previous example, women constitute over seventy percent of the beneficiaries of long-term hospitalization.

5. Who will provide the service?
Example: Long-term hospitalization services are provided by a variety of sectors: the central government, municipalities, non-profit organizations and for-profit businesses.

6. Who will find employment thanks to the budget line?

Example: The overwhelming majority of providers of nursing services for persons with long-term illnesses are women.

7. Will the budget line benefit disadvantaged groups?

Example: The budget for long-term hospitalization does not benefit the Arab population to the same extent that it benefits the Jewish population, due to the shortage of facilities in the Arab sector.

8. How will the budget affect the care economy?

Example: As a result of the paucity of long-term hospitalization services in the Arab sector, the burden on the care economy there is larger: it is women who tend to elderly persons and other family members who require nursing care.

9. Are there better alternatives to each budget line?

Example: In the case of income tax reform, a better alternative would have been to give greater tax relief to persons earning NIS 5,000 to NIS 10,000 a month.

Women and the Economy

In the foregoing pages, we discussed the importance of gender audits and what they involve, and we focused on issues connected with the income and expenditures that comprise the national budget. We now turn to another aspect of the economy: a long-forgotten one.

Not only is it difficult "to locate women" in the national budget, it is difficult to locate them in the economy as a whole. This is because a good part of the work that women do is not included in the Gross Domestic Product (GDP), the main measure of the size and robustness of the economy. The GDP includes the work done in the private and public sectors, but it does not include the work done in three areas in which women are prominent: 1) the informal market (unregistered businesses); 2) volunteer work (for example, in the framework of women's organizations); 3) home maintenance and caring for family members. The latter is referred to in feminist literature as the care economy.

Over the last decade, considerable criticism has been voiced concerning the fact that the accepted way of measuring a national economy neglects the three areas in which women worldwide are especially active. As a result of this criticism, in 1993 the
United Nations recommended expanding the definition of the GDP to include the value of the work done in the informal sector. Likewise, it recommended that countries keep "satellite accounts" of the monetary value of the work performed in the framework of the household.

According to the estimates done in a number of developed countries, the value of the unpaid work done by women amounts to no less than half of the GDP (Elson, 1:3). According to a calculation done in Can(for 1992), for example, if the value of the unpaid work done by women were to be calculated into the GDP, it would constitute between 30 and 40 percent of it (Commonwealth Secretariat, 1999).

Under the accepted economic model, households do not produce anything. In economic terms, they either consume or save. However, a more encompassing theory would conceptualize the work that women do in the household in a different way: as producing goods and services for the family as well as the community.

**The Care Economy**

Economist Diane Elson describes the care economy in the following way: (Elson, 1997:9):

The care economy [emphasis in the original] produces family and community-oriented goods and services as part of the process of caring for people. Work in the care economy is not paid, though it may be supported by transfer payments from the government (such as pensions and child benefits). It is regulated by social norms rather than by commercial or bureaucratic criteria. This economy is excluded, as a matter of principle, from the UN System of National Accounts. Both men and women work in the care economy, but overall it is relatively intensive in the use of female labour. The care economy contributes to the welfare of the individuals receiving care, but it also contributes to the activities of the commodity economy and the public service economy by supplying human resources and by maintaining the social framework (supplying what some economists call human capital and social capital to the commodity economy and public service economy).

This can be demonstrated with the example of childcare. The cost of providing childcare in the private sector (in day care centers and private preschools) and in the public sector (in day care centers run by women's organizations, Agudath Yisrael, Habad and the Shas Movement) are included in the national accounts. In contrast, the cost of childcare in the household sector is not included in these accounts. Since these costs do not appear in the GDP, they are not taken into account in policy making.
A case in point are the recommendations made by an inter-ministerial committee charged with encouraging recipients of income maintenance payments in Israel to work. The committee recommended that an experiment be conducted, under which solo mothers for children between the ages of three and seven would have to "go out to work" (State of Israel, 2001). In the majority opinion, childcare was not considered work but rather "doing nothing," and the support payments mothers received that allowed them to stay home and take care of the kids amounted to a free ride.

The committee recommended that solo mothers receive day care subsidies, so they could "go out and work." In other words, work in a day care center, for pay, was considered "real work", worth subsidizing, while the same work, performed in the home without pay, was not considered work and not considered worthy of subsidizing. (Notably, the law that preceded the committee recommendations [The Single Parents Law -- 1992], entitled single mothers of children under the age of 7 to income maintenance payments, without an employment test, thus recognizing the childcare work of single mothers. However, as the number of persons receiving income maintenance rose, the value of home childcare evidently decreased).

How is the unpaid caring work of women to be valued? Several countries, among them Norway, Australia, Canada, Denmark, Finland, France, Germany, and New Zealand, have begun to prepare "satellite accounts" that estimate the value of the product of women in unpaid house and care work. With the assistance of international agencies like the United Nations Statistics Department, the United Nations Development Programme, and the Center for International Development and Research of Canada, a new field of data collection was developed -- time use studies. These studies measure women's contribution in the framework of the care economy and present them as part of the national accounts.

What is the nature of this innovation? Unlike work for pay, which is measured in monetary terms, unpaid work is measured in terms of time (hours, minutes or proportion of the total day). Time use studies allow for comparisons between the time that women and men devote to work. They also compare the time that women and men devote to paid and unpaid work.

Once we have information concerning the time devoted to work in the care economy, we can calculate the monetary value of all the work that women do in the home. Several methods have been developed for making such calculations. (For a review of these methods and a report on the different valuations of women's unpaid work in South Africa and Norway, See Budlender and Brathaug, 2002.)

"Productivity" in the Care Economy

Orthodox economists still treat the care economy as if it were able to provide a limitless amount of care work for family members, without any reference to the investments made in it. The basic assumption is that women's time can expand boundlessly.
In actuality, of course, there are limits. The "productivity" of the care economy depends in large part on the provision of human services, like support payments and rent assistance to low income persons. When too heavy a burden is placed on the care economy, especially on the weaker segments of it, without assistance to compensate for the added burden, "maintenance problems" arise. Such problems are eventually reflected in phenomena like the loss of work days, a decrease in productivity, an increase in the costs of policing, increased need for social workers and health services, etc. (Elson, 1997: 10).

When the state fails to provide appropriate support services for the carers of family members with special needs (mentally ill and physically disabled persons, for example), or when there are cutbacks in allocations for services for persons with special needs, the burden on women carers increases and with it the danger of inadequate care for family members who need that care.

The limits of unpaid home care work stem not only from the absence of adequate support on the part of the state, but also from the changes occurring in the last few decades with regard to the accepted norms about the roles of women. Today, most Israeli women of the prime working age (25-54) are in the labor market (68%), where they are not free to provide all the care work that family members may need. Thus the situation arises in which just at the time when the demand for care work in the framework of the family is growing -- due to the increase in the proportion of elderly persons (following the increase in life expectancy) and due to the reduction in allocations for human services (which leads to institutions closing their doors and sending their charges home), the supply of care work (which in the past was provided by women working at home) is decreasing (Daly and Lewis, 200: 288). In other words, if the school lets the kids out early, if the hospital releases the sick persons at the stage where they still need care and supervision, and if the feeble person, retarded or disabled individual is sent home for lack of funding for the institution caring for them, it cannot be taken for granted that a woman will be at home to take care of them. As Nancy Folbre expressed it, "...if you start running out, you can't buy more at the corner store" (Folbre, 1995: 85).

**Structural Misfit**

There is a structural misfit between the needs of the care economy and the funding of the human services and income maintenance that lend it support. These services are required primarily by women, but their funding comes from taxes paid by the private sector, where the majority of employers and employees are men (Elson, 1997: 10-11). This misfit results in a tendency to cut back human services. Cutbacks in human services result in a transfer of costs from the public sector to the care economy. In the budget books, this transfer registers as a "saving," as the service provided by the household is "free." However, this magic formula ignores the fact that in the , cutting back human services creates human problems, and coping with them costs money that eventually does show up in the budget books. Thus the "saving" is in the short term only.
The misfit between the support needed by the care economy and the readiness of the private sector to pay for it is accompanied by a neo-liberal ideology that prevails in the corridors of the Israel Ministry of Finance and which is reflected in the unwritten social platforms of the two largest political parties in Israel, the Labor Party and the Likud Party.

The neo-liberal ideology attaches prime importance to fighting inflation and to privatization. Fighting inflation is part of a larger agenda that includes decreasing the budget deficit, decreasing public expenditures and cutting taxes, on the one hand, and on the other, giving low priority to full employment, to public investments and to improving the accessibility of the social services. Privatization -- the preference of private services over public ones -- is based on the assumption that the private sector (in which, the theory goes, there is competition) is more efficient than the public sector, and that it is the only sector capable of stimulating economic growth.

Privatization affects women in several ways: privatizing public services, like, for example, food services in government facilities, leads to the firing of women or to the lowering of their salaries and worsening of working conditions, as women constitute two-thirds of the persons employed in the public sector. For this reason, strong Israeli unions like the Nurses Union and the Hospital Auxiliary Workers Union strongly oppose plans to privatize public hospitals.

The neo-liberal agenda is detrimental to the status of women in the labor market. Decreasing government expenditures means decreasing expenditures on human services, the majority of whose employees are women. Generally, cutbacks in human services translate directly into fewer jobs and lower pay for women.

**Who Does Gender Audits**

Gender audits of the national budget are presently being performed in no fewer than 40 countries. Following are some examples:

**Australia**

The first gender audit was done in Australia as early as 1984, by the government itself. That year, the Labor Government presented its first *Women's Budget Statement*, together with the budget proposal. This followed a resolution passed the year before, at the initiative of female parliamentarians. For the *Women's Budget Statement*, each government ministry was required to formulate goals as well as ways and means of promoting the status of women. Ministries were also asked to analyze the expected results of their activities.

Every government agency was also asked to distinguish between allocations made specifically for women (for example, steps taken to improve the health of Maori women), allocations designed to create equal opportunities for women (for example,
programs to encourage women employed in the public sector to apply for promotions), and general allocations (for example, allocations for teaching hours) (Budlender and Sharpe, 1998: 10).

In 1996 the Conservatives won the elections and abolished the practice of publishing a full-fledged gender audit alongside the proposed national budget. Still, the Australian government continued to publish a short annual report, under the old title of "Women's Budget Statement," which listed the government initiatives on behalf of women (Sharp and Broomhill, 2002: 27). For example, together with the draft budget for the 2001-2002 fiscal year, a report was published that included the following topics: "Women, Education and Technology," "Preventing Violence Against Women," "Older Women," "Maori Women," "Women Immigrants and Refugees," and "Women in the Workplace." Among the new initiatives mentioned in the report were increased assistance for mothers and women taking care of family members and strengthening of the social safety net (http:www.budget.gov.au).

Australia can also boast gender audits carried out in each of her six states and two territories. Australia's gender audits served as a model for the gender analysis of national and provincial budgets done in South Africa.

**South Africa**

In South Africa, the first gender audit was done in 1996 as a joint endeavor of several voluntary organizations, together with a parliamentary committee. The gender audits are published in book form by the Institute for Democracy in South Africa (Idasa), under the title, *The Women's Budget* (Budlender, 1996, 1997, 1998, 1999, 2000). The audit has two major aims: increasing women's awareness of how the state budget impacts on their lives, and increasing legislators' sensitivity to issues relevant to women. In one of the audits, the Minister of Finance was quoted as making a commitment to include unpaid work in the national accounts. That sounds impressive; however, we were informed that there is no real intention to include unpaid work in South Africa's national accounts (Budlender, 2002).

In 1998, Idasa published a simplified version of the gender audit for women with less than a high school education and women for whom English was not their mother tongue: *Money Matters: Women and the Government Budget*. This was done so as to enable a larger number of women to become involved in the budget-making process.

**Canada**

In Canada, a gender audit of the national budget constitutes an integral part of the *Canadian Alternative Federal Budget Exercise*, done since 1995. This is an initiative of some 50 unions and social advocacy organizations. The original purpose of the alternative budget was to challenge a decision to reduce the deficit from 5% to 3% of the GDP by cutting back on social service allocations. The alternative budget also proposed an alternative macro-economic policy: reducing the interest rate instead of
cutting back on social services, and regulating capital flows, including the imposition of a "Tobin Tax" on international transactions. In addition, recommendations were made to raise company taxes and marginal tax rates for high incomes and to lower the marginal tax rate for low incomes. The Alternative Federal Budget Exercise also recommended strengthening social programs in the areas of health, unemployment compensation, income maintenance payments, day care, pensions, high school education and housing (Loxley, 1999).

**France**

In 1999, during the budget vote, the French parliament decided that henceforth the Cabinet would be obligated to present, together with the national budget proposal, a report on the efforts it had made to promote gender equality. The French gender audit is referred to as "The Yellow Paper." For this paper, each government ministry is obligated to present the steps it is taking to increase gender equality, along with indicators of the progress already made (Dastot, 2002).

**England**

In England, the gender audit of the national budget is done by The Women's Budget Group, a consortium representing some 73 organizations -- university women, women active in social advocacy organizations and union representatives. Established in 1989, the consortium concentrates on the national level and focuses mostly on taxation.

In their gender audits, the women contend that the Ministry of Finance needs to take into account not only the budgetary implications of the income differences between women and men but also the implications of the amount of time available to women and men. The group also analyzes how cutbacks in the safety net impact on caring work.

Representatives of the Women's Budget Group meet with British Exchequer officials six times a year. Meetings are devoted to the national budget as well as to other issues decided upon together (UK Women's Budget, no date).

**Israel**

In 1995, the Adva Center began to analyze the social implications of the Israel national budget. Since that time, Adva Center reports have pointed out the implications of the proposed budget for Israeli women in general and for women from different ethnic and income groups.

The preposition paper is the second in a new series of reports on Budget and Gender in Israel.
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