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Title of the paper: Gender Responsive Budgeting from a Developing Country Perspective

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Abstract (150 words):

Gender Responsive Budgeting has emerged as subject of topical interest among the stakeholders around the world. Gender Responsive Budgeting (GRB) endeavors to integrate a gender perspective in the budgeting process with a view to ensuring the gender equality. The paper explains the definition of Gender Responsive Budgeting and also five step approach in Gender Responsive Budget analysis. This paper briefly discusses the importance of the Gender Responsive Budgeting to achieve the sustainable Development. This paper using secondary data, analyze the context of gender responsive budgeting in Sri Lanka including the initiatives taken by the Government, challenges and recommendations etc. Sri Lanka has taken several important steps to ensure the Gender Responsive Budgeting such as development of Key Performance Indicators to track the progress of GRB. The challenges for GRB in Sri Lanka include lack of gender disaggregated data, lack of female participation in the political process etc.

Paper (2000 words without references)

01. Introduction

Inclusiveness is one of the salient features of the contemporary international development agenda which means that nobody will be left behind in the development process. Gender is an important dimension of inclusive development. Gender Responsive Budgeting (GRB) is a relatively new approach. According to OXFAM (2018) Gender Responsive Budgeting doesn't mean preparing a separate budget for women. Neither does it mean a 50: 50 allocations of resources for men and women. Gender Responsive Budgeting means, gender equitable allocation of resources. As per the Gender Responsive Budgeting concept, the budget is analyzed from the perspective of gender. The Council of Europe defines (2005) "Gender budgeting is an application of gender mainstreaming in the budgetary process. It means a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality". Gender Responsive Budgeting (GRB) endeavors to integrate a gender perspective in the budgeting process. The ultimate objective of GRB is to ensure gender equality. GRB is concerned with not only the expenditure side of the budget but also the generation of revenue through tax system.

02. Importance of Gender responsive Budgeting

Gender based discrimination is a common phenomenon around the world, that amounts to a violation of human rights. Women experience various issues such as lack of political representation, gender-based pay gaps in employment and access to resources etc. Gender based discrimination impedes the development process, as it is the general consensus that women empowerment is an integral part of development. Budget is one of the important public finance management tools, which estimates the revenue and expenses for a specific period of time, generally for a year. Government's activities in economic and social spheres depend on the budgetary allocations. It is indisputable that Government budget should pay attention on addressing gender-based disadvantages experienced by women. As pointed out by the OXFAM (2018) Gender-responsive budgeting (GRB) is essential both for gender justice and for fiscal justice.

Sri Lanka is a signatory to the Convention on Elimination of All Forms of Discrimination against Women (CEDAW) since 1981. The sustainable development goal no.05 is focused on achieving gender equality where the importance of undertaking policy reforms to ensure women's equal rights for economic resources, has been reiterated. There are numerous advantages of GRB. For instance, GRB indicates a governments' commitment to achieve gender equality, improve accountability and transparency through monitoring, increase the effectiveness of the public expenditure as gender-based analysis provides a basis for policymakers etc.

The Beijing Declaration which was adopted at the end of Fourth World Conference on Women in 1995 recommend governments to analyze from the gender perspective, all policies and programs related to macro-economic stability, structural adjustment, taxation, investments, employment to assess whether there is any inequality. Further, the Beijing Declaration mentioned Governments should take actions to “Restructure and target the allocation of public expenditures to promote women’s economic opportunities and equal access to productive resources and to address the basic social, educational and health needs of women, particularly those living in poverty”. Budlender & Hewitt (2003) explained a five steps approach for GRB analysis as follows.

- (a) Analyzing the situation of women, men, girls and boys
- (b) Assessing the gender responsiveness of policies
- (c) Assessing budget allocations
- (d) Monitoring spending and service delivery
- (e) Assessing the outcomes

The above mentioned five steps model has been used widely for GRB analysis. However, Budlender & Hewitt (2003), themselves admitted that there are some limitations of this five-step model. Generally, GRB involves a wide range of activities such as research, data analysis, monitoring, advocacy and sensitizing etc.

03. Gender Responsive Budgeting in Sri Lanka

In the Human Development Index (2019), Sri Lanka is ranked in the 72nd place out of 189 countries which place the country in the high human development category. However, in the Gender Inequality Index Sri Lanka is ranked in 90th place in 2019.

Table 01: Global Gender Gap Index – 2021

Country	Ranking 2021	Change in the rank compared to 2020
Sri Lanka	116	-14
India	140	-28
Nepal	106	-5
Bhutan	130	1
Maldives	128	-5
Pakistan	153	-2

(Source: Global Gender Gap Report, 2021)

According to the Global Gender Gap Index published by World Economic Forum, Sri Lanka is ranked in the 116th place out of 156 countries. As illustrated in the table above, Sri Lanka is ranked second in the South Asian region (Nepal is the first) yet the country’s ranking has declined by 14th places in compared to 2020.

According to Sharp et. al. (2010), Gender responsive budgeting related activities in Sri Lanka was initiated in 1997 with the training of Government officials representing different sectors as a capacity building initiative. There are several instances that the GRB has been applied successfully in Sri Lanka. For example, the budget 2019 include some progressive proposals as follows.

- (a) Department of Inland Revenue allows employers in calculating their corporate taxation, to deduct 50% of the salary cost of the mandatory 3 months maternity leave granted, as an additional deduction subject to a maximum of Rs.20,000/= per employee per month. 100% deduction of salary cost is allowable when calculating corporate tax, if the maternity leave is given for the 4th month.
- (b) Offering concessionary loan upto Rs. 3.5 Mn for Individuals and the institutions who have the capacity to maintain a child day care centers in accordance with the national guidelines for child day care centers. Under the concessionary loan scheme 02-year grace period has been given for the repayment.

Further, in the budget speech 2019, the Minister of Finance has suggested amending labor laws to allow part-time, flexi hours which will facilitate more women to be actively involve in the economic activities. In Sri Lanka, women's labor force participation rate is only 32.5% (UNWOMEN, 2021). Hence aforesaid budget proposals are important for motivating private sector to hire more women in the age of 20-40.

According to the policy brief published by Advocata institute (2020) the total taxes (including import duty) on the sanitary napkins was 101% until September 2018. However, following social media outrage over the high import duty, it was later reduced. But the policy brief of Advocata Institute pointed out (2020) despite the reduction in taxes, sanitary napkins continue to remain unaffordable for significant percentage of Sri Lankan women.

In 2018 Ministry of Women and Child Affairs under the guidance of Ministry of Finance developed 12 Key Performance Indicators (KPIs) for monitoring the progress of gender responsive budgeting initiatives. The 12 KPIs are as follows,

- (a) Increased percentage of female participation in the labour force
- (b) Increased number of female-headed households that have built houses through financial assistance programs
- (c) Number of public institutions that maintain gender disaggregated data systems
- (d) Increased percentage of females who obtain NVQ certification and enter into employment in the technical and vocational fields
- (e) Number of female entrepreneurs engaging in sustainable enterprises utilizing SME loans/subsidies
- (f) Number of national policies and projects aimed at employing female migrant returnees and potential female migrants

- (g) Increased number of females in decision-making positions attained through policy interventions
- (h) Number of institutions that have taken measures to improve gender-friendly working environment and day care facilities
- (i) Number of policies and guidelines placed and effectively implemented to ensure gender concerns are addressed in rescue, relief, rehabilitation, and reconstruction stages of disasters
- (j) Number of women and children bureau units in police stations that are capacitated to handle women and child issues in a sensitive and effective manner
- (k) Number of gender discriminatory laws, policies, and procedures that are amended, enacted, and/or implemented
- (l) Amount of allocations made to complement Multi Sectoral National Action Plans to address sexual and gender-based violence

However, according to the study conducted by Verite Research (2021) to assess the progress of KPIs during the period of 2018-19 only 02 KPIs recorded some progress whereas in other 10 KPI there is no progress at all.

The civil society groups in Sri Lanka also increasingly focus on gender responsive budgeting. For example, the Women’s Chamber of Industry and Commerce has successfully lobbied for allocating 5% of the bank loan portfolio to women Micro, Small and Medium Enterprises (Sunday Times, 2015).

04. Challenges and Recommendation

The fiscal performance of Sri Lanka during the recent past as well as forecast until 2025 is as follows.

Table 02: Forecasted Fiscal Performance as % of GDP – Sri Lanka

Description	2019	2020	2021	2022	2023	2024	2025
Government Revenue	12.6	9.2	9.5	10.3	10.7	11	11.1
Government Expenditure	22.2	20.3	20	20.4	20.2	20.1	19.7
Fiscal Deficit	9.6	11.1	10.5	10.1	9.5	9.1	8.6

(Source: Ministry of Finance, 2021 & IMF Fiscal Monitor, 2021)

According to the above table, it is evident Sri Lanka has been experiencing significant budget deficit which was exacerbated by COVID-19. Accordingly, the large budget deficit together with other macro-economic issues such as external debt repayment obligations constrained budgetary allocations for all ministries.

One of the main challenges in GRB is that lack of gender disaggregated data. Budlender (2007) has pointed out, collection of gender-disaggregated data at national and provincial level of Sri Lanka is quite limited. Hence, the Government should take initiatives to improve data collection of gender disaggregated data at national and provincial level (in local councils and provincial councils).

Institute of Policy Studies (2022) has pointed out, Sri Lanka currently ranks at 179 out of 189 countries for the percentage of women in national parliament which is even below the average of South Asian region. Although 52% of the population in Sri Lanka are female, lack of female representation in the political process is a one of the main challenges that in turn affect the GRB. In the present parliament, there are only 12 members out of total 225 members which account for only 5.3%.

Women's Chamber of Industry and Commerce (2022) has suggested Government should include in the next budget, allocation of a mandatory percentage of public procurement/ contracts to women owned enterprises in certain business areas such as cleaning and food supply. The chamber has further suggested that Government should allocate funds to support re-integration of female migrant returnees from the Middle East.

A strong political will and active contribution of civil society is required for the success of Gender Responsive Budgeting. It is praiseworthy, civil society groups are actively engaged in advocacy and lobbying to promote the GRB in Sri Lanka.

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