

# GENDER BUDGETING IN FINNISH STATE BUDGET



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## IN MY PRESENTATION:

- Gender budgeting is part of gender mainstreaming
- How Gender Budgeting is implemented in Finnish state budget (the process + key actors)
- Phases in development of gender budgeting; where are we now and how we got here
- Steps towards gender responsive state budget?



# SOME BACKGROUND FOR GENDER BUDGETING IN FINLAND

- A results based budgeting
- A strong position of economical arguments in the policymaking
- The ideal of gender neutral public administration + gender neutral language (Finnish)
- A (mis)understanding that gender equality is already accomplished
- Gender equality targets on quite general level
  
- Obligation for authorities to promote gender equality
- Women and men participate the work-life and politics on almost equally
- Welfare society (e.g. universal and affordable early childhood education and care, education etc)
- New: the national gender equality strategy including targets for 2030 published in 2022



# GENDER MAINSTREAMING AS A BASIS FOR GENDER BUDGETING

Gender equality law:

Public administration bodies are obligated to promote gender equality actively and systematically



- Ministry of Social Affairs and Health coordinates, develops and monitors gender mainstreaming
- The goal is **to develop the activities** of the authorities in such a way that they sustainably promote gender equality in e.g. legislative preparation, budgeting, strategies and programs, operational planning, results management and communication.
- Key measures:
  - **Development of general provisions, directives and guidelines**
  - Gender mainstreaming and non-discrimination plans and working groups in the ministries + network of focal points
  - Training for authorities (e-learning tool 2020)
  - Briefing of government ministers about GM



# PROVISIONS, DIRECTIVES AND GUIDELINES

Two examples (which are especially important to GB):

## Bill Drafting Instructions (2004 + revised 2022)

- Government proposals must explain the gender impacts of proposed provisions
- 26% of the proposals given in 2022 included GIA
- Ex-ante evaluation is recommended

## The general directives for formulating the budget:

- according to the budget drafting regulation issued by the Ministry of Finance, **the ministries' budget proposals must present the operations that have significant gender impacts in a summary included in their main title**
- This yearly regulation was included in the general directives first time in 2006. In 2020, MoF further specified what should be taken into account when drafting the summary



A corner stone for GB  
in Finland



# THE PROCESS SIMPLIFIED

4-year frame budget  
+  
government program  
+  
other economic frames

Directives for formulating the Budget given by the Ministry of Finance (MoF) Incl.order to make a GE summary

Ministry A formulates a budget proposal and includes there a summary of the (most important) targets, measures and money allocations which have gender impacts

Ministry B...

Ministry C...

Ministry D...

Budget negotiations led by MoF

The budget proposal from the government to the parliament

The final budget approved by the parliament

Ministry of Social Affairs and Health: Supports the ministries and monitors the summaries + informs the government and the parliament



## Important:

- GE considerations are included and visible in the budget book
- The politicians get information on the GIAs (or alert of possible impacts)
- Possibility to affect decisions in the final budget
  
- The actual gender impact assessments should be carried out when drafting bills
- GB does not replace GIAs







# YEARS OF IMPLEMENTATION 2008-2018

- Support for implementation and **monitoring yearly**: now all the ministries include a GE-summary in their budget proposal
- No sanctions (for non-compliance), but “naming and shaming”-effect between the line ministries
- room for improvement exists
- Challenges: To improve gender perspective in the budget it should be included in the key planning and strategy work in the ministries, and vice versa
- In the busy schedule of budget process there is little room for GIAs
- The civil servants responsible for budget are important, but cannot do this alone





# A DEVELOPMENT PROJECT OF GENDER BUDGETING IN 2018

A research and evaluation project: ***Gender Equality in the Government Budget***

- A co-operation between the Ministry of Finance and Ministry of Social Affairs and Health
- The project:
  - 1) identified best practices in gender impact assessment of the budget and in gender budgeting in other countries,
  - 2) **developed methods** to assess the gender impacts of the budget and assessed the gender impacts government's policies
  - 3) **made recommendations** concerning the integration of gender impact assessments and other gender budgeting tools and practices in budgetary process in Finnish government administration.

<https://julkaisut.valtioneuvosto.fi/handle/10024/161000>



# RESULTS OF 2018 PROJECT

The project **developed methods** to assess the gendered impacts of changes in taxation and social benefits and changes in public services, as well as methods to assess employment impacts of policies from a gender perspective.

- From household level impacts to individual level → ***personal disposable income concept/model*** makes it possible to evaluate the differences in economical situation between women and men who live in the same household
- Developed the method that is commonly used in the budgeting process (a micro-simulation model) → **important to use methods which suit the budget process** and administration
- In addition to gender, the survey considered other demographic differences, such as age, income and family type (**intersectionality**)

The result of GIA: **The changes** in taxation and social benefits made during 2016–2018 **benefitted both women and men, but men benefitted more and the majority of the losers were women**



# THE GOVERNMENT PROGRAM 2019-2023 STATED A STRONG COMMITMENT TO GENDER BUDGETING

**E.g. a revision of the directives for formulating the budget** was made. The regulation is now more specific and requires:

- gender equality targets **at societal level** related to the policy sector (not in the HR of the organisations)
- practical **measures, bills** (legislative motions) and **appropriations** (sums of money) with which the ministry aim to reach the targets
- the **changes of financial allocations** in the budget proposal, which have significant gender impacts
- **sex-disaggregated statistics and indicators** of the significant social themes



# GIA OF THE GOVERNMENTS ECONOMIC POLICY WAS REPEATED\*

\*

\*not wholly comparable to 2018 assessment

The gender effects of economic policy in the parliamentary term were assessed. The assessment was divided into two parts:

- In the first part, the permanent changes made to social security benefits and the taxation of persons during the parliamentary term were analyzed using a microsimulation model.
- The analysis indicates that **the changes slightly narrowed differences both between genders and within genders.**
- The second part assessed the gender effects of three key reforms implemented during parliamentary term (the family leave reform, the extension of compulsory education and the adoption of a Nordic employment services model).
- **These reforms were assessed to have had a positive or neutral effects on gender equality.**



# Steps towards a gender responsive state budget?





# NOTIONS IN RELATION TO OECD BUILDING BLOCKS ON GB

## ENABLING ENVIRONMENT

**Support and commitment from the leaders is necessary** (and the legal basis has to be solid), still it doesn't happen overnight

### Cooperation

between gender equality specialists and budget specialists absolutely necessary - different languages, different motives

## INSTITUTIONAL AND STRATEGIC ARRANGEMENTS

**In Finland the implementation of gender budgeting has shifted** from gender equality policy towards **the budget ministry and all the line ministries** (responsibility, commitment)

**GE is visible** and available within the budget book (and not as an attachment)

## METHODS AND TOOLS

**Gender budgeting needs GIA methods which suit the budget process and budgetary administration** (also adjustments to the national budget system are necessary)

## IMPACT

### Budget is one link in a chain

- The egg or the hen: To improve gender perspective in the budget it helps if it is included in **the key planning and strategy work**, and vice versa
- The national level **general GE objectives are needed** when formulating the gender equality targets within each line ministry (e.g. education, employment, traffic, foreign policy, social policy, health policy etc)
- **Data disaggregated by sex** (and information on gender minorities) is absolutely necessary

## ACCOUNTABILITY AND TRANSPARENCY

**Monitoring is needed** (effects in society, further development of the process)

- Yearly monitoring of the summaries
- Special projects for development and evaluation of economic policy





**THANK YOU!**

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