



Gender Budgeting in Finland

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The Budget as a Policy Tool

- Via the Budget, the Parliament authorises the Government to use government funds.
- A budget authorisation strives to be “suitably” precise – not overly general, but also not too detailed.
 - Roles of Government and Parliament should be kept separate.
- Most of the energy in budget preparation is consumed in the examination of changes; the unchanged “appropriations mass” receives less attention.
 - An understandable situation, but more effective action should be possible.
 - In the background is also the statutory basis of expenditure – only a small fraction of central government expenditure is open to genuine discretion at the budget stage.



How to imply Gender Budgeting?

- General goals: improving the efficiency, productivity and transparency of public financing and government
- Gender equality is a **goal** in itself and also a **strategy** for improving governance
- A substantial part of budget expenditure is committed by legislation, and taxation is decided by tax law (budget records only estimated revenues).
 - > Especially in Social Policy there is very little discretion at the Budget phase
- Information relating to tax expenditure has gradually been displaced from the budget book; information has not changed much from one year to the next
 - > Gender impacts of central government fiscal measures relatively unchanged from one year to the next – how to provide information that is “sexy” enough?
- Spending limits budgeting directs appropriation additions and savings, and determines the annual room for manoeuvre
 - > Is the Budget the right place and stage for gender-impact assessment?
- Interaction of two perspectives:
 - A) Planning → the budget
 - B) Follow-up monitoring → report of closing of the accounts



Finnish Government Program

■ Section 10.11 Improving gender equality

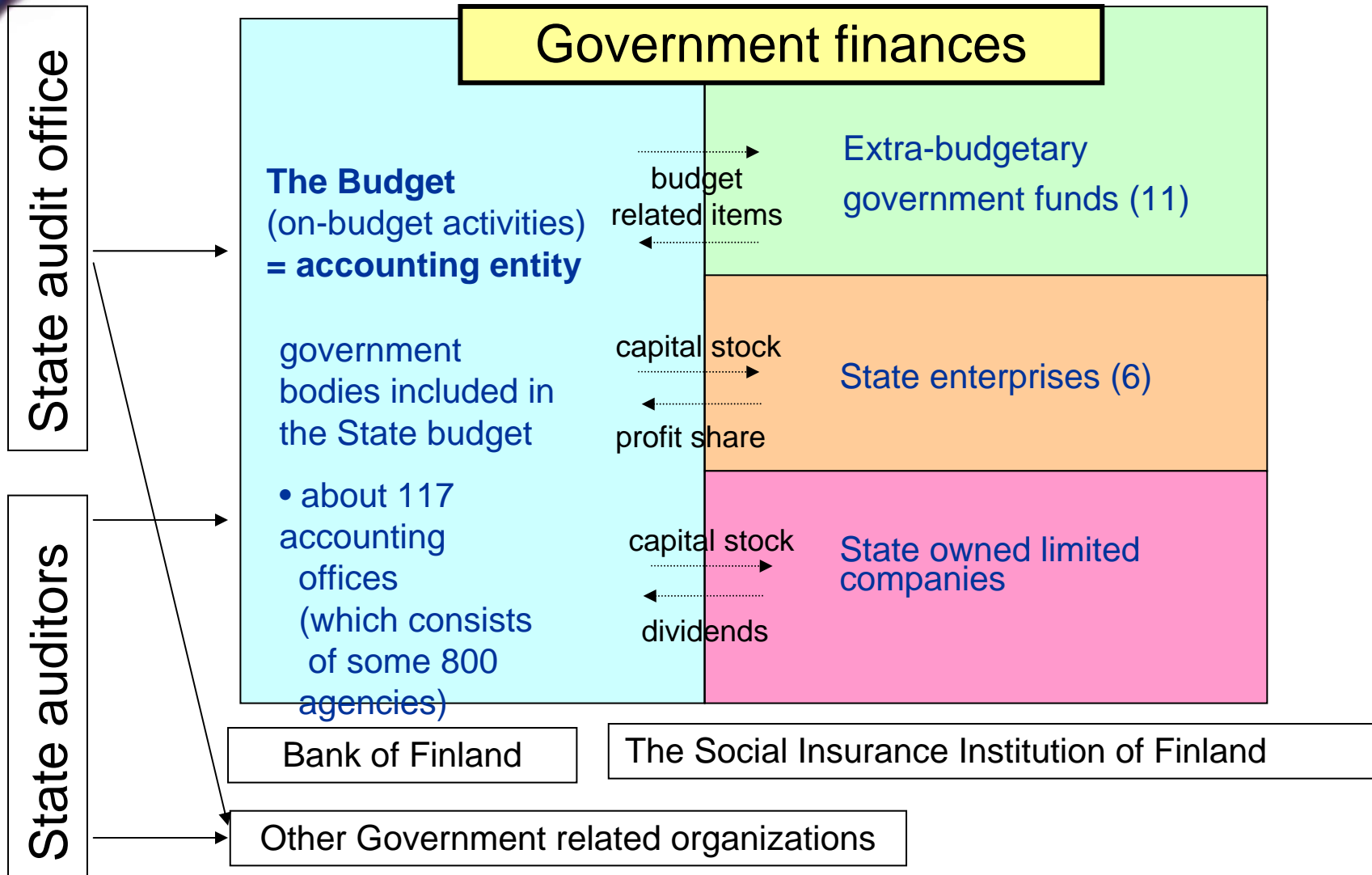
“Gender equality is a central value in Finnish society. The Government as a whole undertakes to make determined efforts to promote equality in all its decision-making. Men and women must have equal opportunities in all spheres of life. The Government will, in the early days of its term of office, take steps to ensure that the **gender perspective is mainstreamed across all law drafting, budget procedures and other major projects.** Training will be provided in the various ministries to promote this development. Awareness of gender equality will be increased in comprehensive schools, and gender-conscious courses will be included in the education of teachers and kindergarten teachers. The gender perspective will also play a part in social and health care services and in the efforts to reduce health inequalities. More resources will be allocated to government agencies and women’s organisations engaged in promoting gender issues.”



Budget procedure - The role of different actors in Finland

- Budget decided by the Parliament (which has full powers to change it!)
- Budget proposal decided by the Government on the proposal of the Ministry of Finance
- The administration implements the Budget
- Proposal prepared by the Ministry of Finance on the bases of the draft budgets for each administrative branch
- Each Ministry drafts a proposal for the Ministry of Finance for its respective administrative branch
- Ministry of Finance is empowered to give stipulations and instructions on the form and substance of the budget proposals

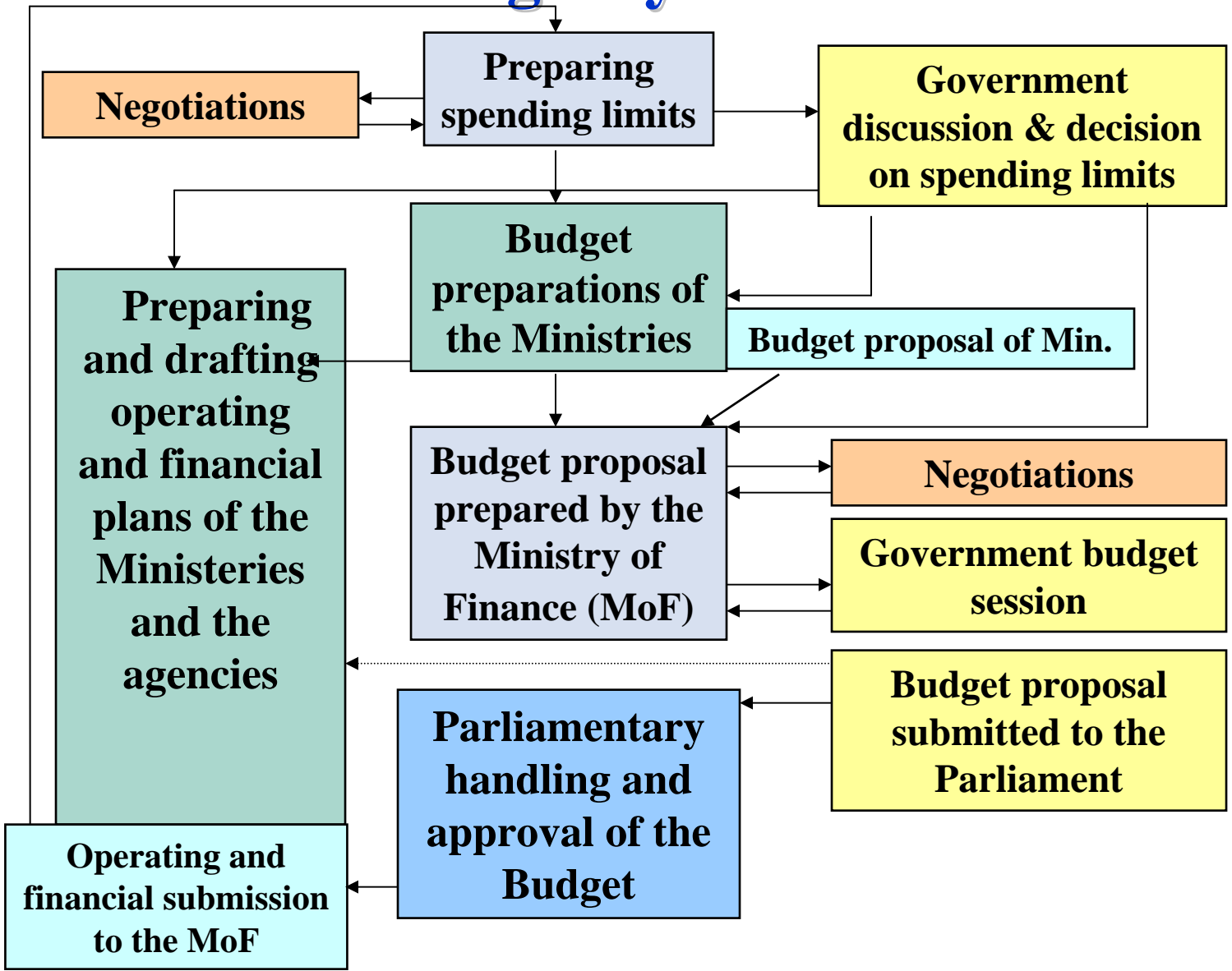
The Structure of Financial Administration



Operational and financial planning and budget cycle



- January
- February
- March
- April
- May
- June
- July
- August
- September
- October
- November
- December





Finnish way of gender budgeting

- **Budget preparation and reporting ongoing action** is the focus
 - The people responsible for general budgeting and policy are also responsible for gender budgeting

- The state's Controller-function
 - It evaluates budget proposals' overall usefulness for parliament
 - Evaluation should include an assessment of how well the ministries have included gender impacts in their proposals



Phases in Finland – 10 year cycle

1. Nordic initiative (2001)
2. The pilot project (2004-2006)
3. New orders from Ministry of Finance (2006)
4. Monitoring the impact (2007 –)
5. Support for ministries (2008->)
6. Sharpening the approach by political and administrative guidance (2009)
7. All ministries on board (2010)
8. Evaluation of how to go forward (2011->)



Phase 1. Nordic Gender Budgeting Initiative

- Proposed by the Finnish Government in 2001 (Minister for Equality Mr. Osmo Soininvaara (Greens) and the 2nd Minister for Finance Ms. Suvi-Anne Siimes (Left Alliance))
- Pressure for change coming from government and involving the Ministries of Finance directly
- "Bureaucracy"-driven, institutionalised
- Intention to eventually integrate a gender perspective in the whole budget (where relevant)
- Nordic Council of Ministers Gender Responsive Budgeting Project @ www.norden.org



Phase 2: The pilot project

- In 2004: the gender impact assessment for the budget of the Ministry of Social Affairs and Health
- Result: Sufficient background information is required for good impact assessments (gender segregated statistics, data production etc.)
 - No simple answer to how the gender impact assessment should be made
- 5 forums for gender impact assessment in the budget process/framework
 - 1) Ministries' strategic goals: is gender equality one of them?
 - 2) Expenses: how are they divided between sexes (ex. pensions)
 - 3) Budget Appendices: analytical attachments may be useful?
 - 4) Law proposals given with the budget: gender impact assessment of all proposals
 - 5) Key documents for monitoring the administrative branch



Phase 3: New orders on budgeting

- Ministry of Finance and Ministry of Social Affairs and Health agreed on a new rule for budget formulation
- The orders for all ministries for preparing their budget proposals came to include the following: "Each ministry must include a summary review of important gender impacts of activities related to the budget proposal in each ministry's budget chapter (paragraph 7.9.4 of the budget compilation regulation)"
- Thus, the review in question should focus on **important** gender effects of policies covered by the budget proposal for the forthcoming fiscal year
- This is a pragmatic approach to include the gender point of view to the national budget comparable to specific points of view of regional, environmental, poverty, innovation, productivity, ageing, health or other policies
- The implementation of this approach is being gradually developed to reach a balanced treatment of important gender effects in all policy areas/ministries
- More detailed and comprehensive gender impact analyses would be carried out in other contexts, not necessarily the budget



Phase 4: Monitoring the impact

- The results have varied between ministries
- In the 2008 budget, each ministry mentioned gender equality in one way or the other
- Only one third mentioned concrete actions and goals
- Only one ministry (Social Affairs and Health) had its statistics disaggregated by sex

Summary: Room for improvement remained



Phase 5: Support and re-evaluation

- Training for budget personnel in ministries (2008)
- In the 2009 budget proposal the ministries did better, but were still not fully compliant
- Key challenge: How to improve gender impact assessment in other planning and preparatory work in ministries? → would help in including the gender perspective in budget proposals
- How to include gender equality in budgets that are focusing on changes from year to year?



Phase 6: Sharpening the approach by political and administrative guidance (2009)

- More training by a pool of ministries
- **"Gender Glasses" –project:** Gender glasses enable a person to see things from the gender perspective
(<http://www.sukupuolisilmalasi.fi/Resource.phx/sukupuolisilmalasi/english/index.htm>)
- Strong guidance letter from the Minister of Finance and the Minister for Equality matters concerning the 2010 budget preparations



Phases 7. and 8.

- All ministries on board (2010) !
- Evaluation of how to go forward (2011->)
 - Continue at the budget level?
 - Move to periodical evaluations?
 - Report gender impacts only in the Final Central Government Accounts?
 - What about the income side (taxes)?
 - Impact of the Financial Crisis?
- Training provided by all ministries
- Leading by example:
 - Gender budgeting practice spreading to other levels of government (local, regional)
 - Gender more in focus in the private sector as well



Taxation and Gender

- Taxation serves to finance the public sector, equalize incomes, repair market imperfections
- Taxes are paid on earned incomes, capital gains, consumption
- No reference to gender in Finnish taxation
- A good tax system is clear, transparent, understandable; fair, neutral, non-distorting, administratively efficient
- Is the Finnish tax system fair? Yes, ...
 - Women earn 64% of the factor income of men, men pay 6 bn € more tax on their income → it is vertically fair (all people taxed separately)
 - Women get more social transfers than men (15%) and public services → it is horizontally fair (everyone taxed based on ability to pay)
- ... but it's outcomes may not be fair...
 - Factor income is up 62% from 1998, taxes are up 35%
 - Social transfer less than wages, taxed heavier
 - Family leave paired with illness/unemployment instead of pension/care of elderly at home
 - Women's unpaid service work not in statistics; public service provided by them with little or no pay
 - Women higher education: they should work more than men!?
 - Breaks in personal productivity, women do more tasks at home
 - High level of taxation: less incentive to do paid work, more incentive to do homework
 - Climate change: more taxes on energy&consumption can indirectly favor men



Examples from 2008 budget proposal

- Gender disaggregated statistics presented to enable judgements of whether grant divisions are fair
- Aim to increase female representation further in economic and political decision making
- Aim to decrease male/female income level discrepancy by 5 %-points by 2015 (currently at about 81%)
- Aim to evaluate gender impacts also from the male point of view
- Increase the share of fathers taking paternity leave (at 63% in 2000, estimated 72% in 2008, **74% in 2010!**)
- Increase the amount of loans for female entrepreneurs (now at 27M€/year)
- Encourage women to take jobs in male dominated sectors and vice versa
- Encourage men to do more sports to maintain health



Examples from 2009 budget proposal

- All recruiting and assignments will take the gender balance into account
- Reducing violence against women and children is the foremost goal of criminal policy
- Attainment of all goals will be assessed also by gender
- The effects on gender of the products and services provided by the Ministry of Transport and Communications will be assessed during the budgetary year
- Minimum maternity, paternity and parental allowances will be increased. Financing of these benefits will be changed to reduce the cost to female dominated branches
- Women's careers in both public and private sectors will be strongly supported
- Gender awareness will be promoted in primary schools, teachers' training and kindergarten teacher's training
- Services to homeless persons will be improved to take homeless women better into account

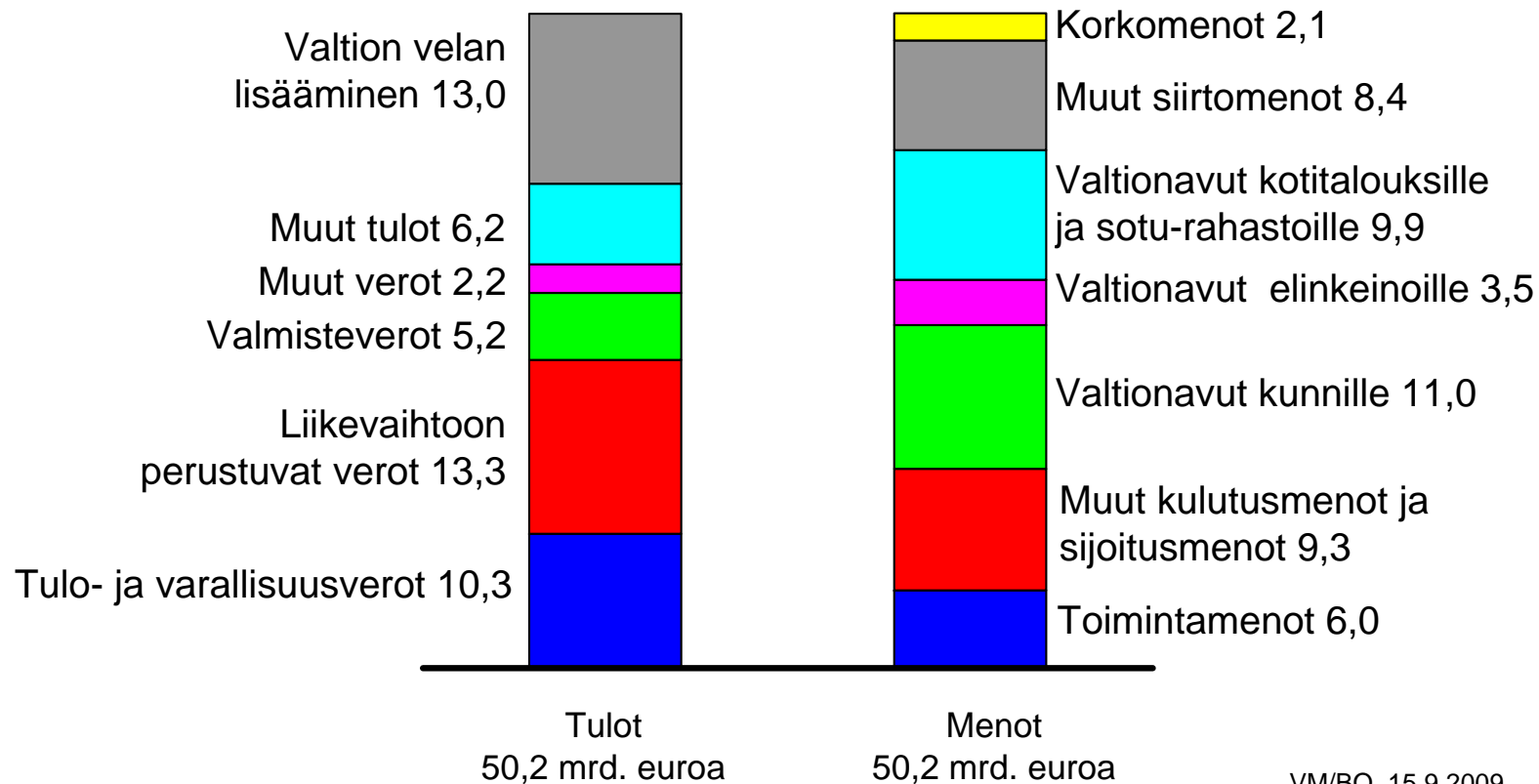


Examples from 2010 budget proposal

- All ministries report something! Even the Ministry of Finance, finally...
- Attainment of all goals will be assessed also by gender
- Women are much more educated than men in younger age groups. Men drop out of schools more frequently.
- The Ministry of Transport and Communications strives to provide services and public goods that are equally attainable by women and men.
- The goal is to lift the share of female entrepreneurs to 40% by 2011
- Minimum maternity, paternity and parental allowances will be increased.



Budjettitalouden tulot ja menot 2010, mrd. euroa

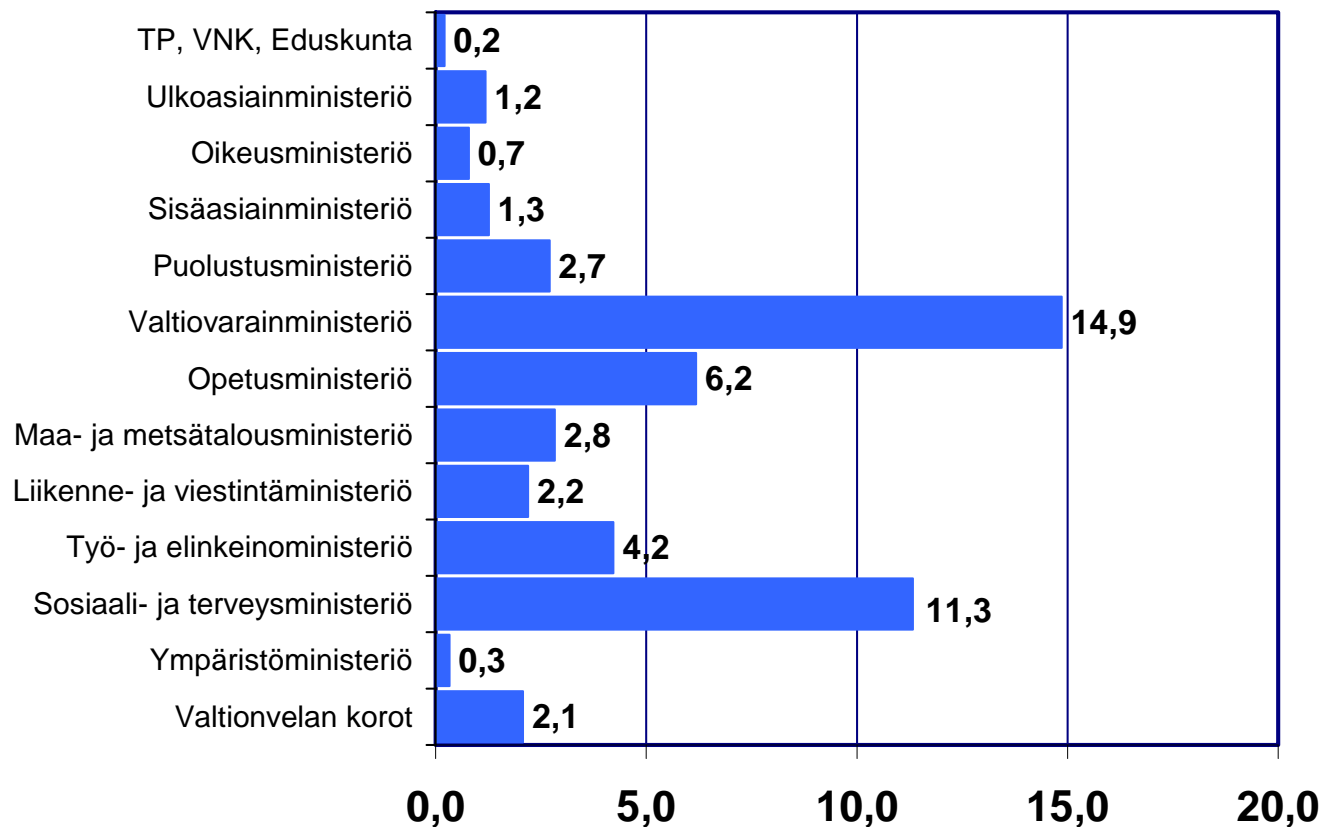


Lähde: Valtiovarainministeriö

VM/BO 15.9.2009
HE 2010



Budjettitalouden menot hallinnonaloittain vuonna 2010, mrd. euroa



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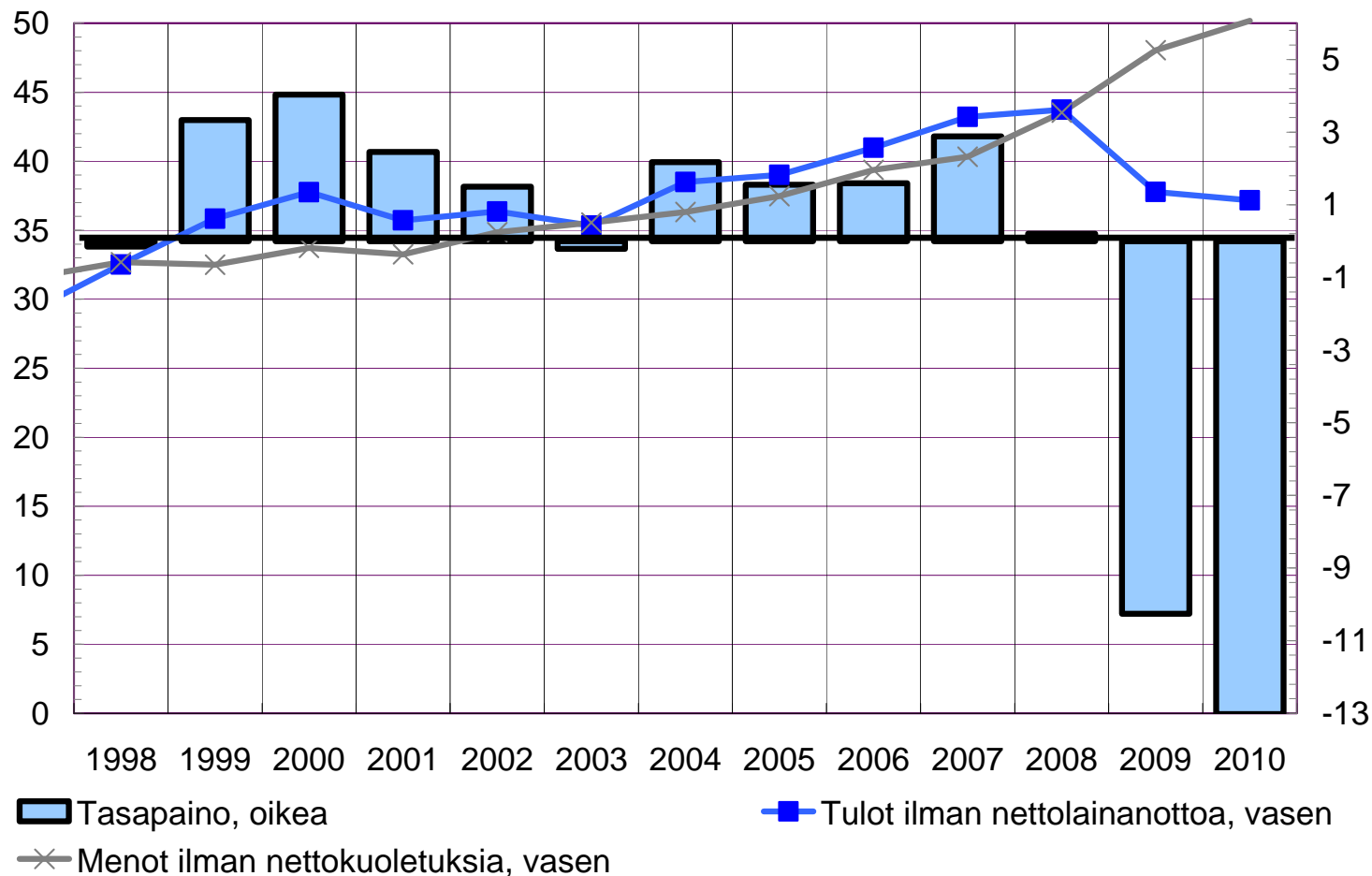
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Budjettitalouden tulot, menot ja tasapaino

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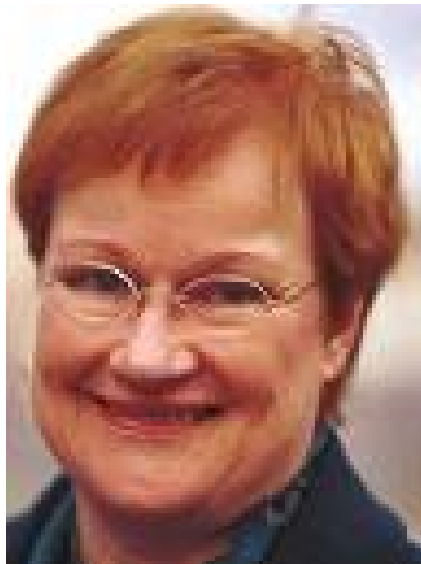
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VM/BO, 15.9.2009



Some lessons learned

- Breaking administrative and mental barriers is vital
 - Finance vs. Equality: getting on the same ballpark
 - Learning each others "languages"
 - From gender blindness to awareness
 - No longer a joke or in the margins, in the mainstream
- Budget is one link in a chain of decisions
 - The egg or the hen: To improve the gender perspective in the budget it helps if it is included in key planning and strategy work, and vice versa
 - Law-making is key (examples: Law on Occupational Health, pension system change, ...); assessment of gender equality in law drafting is obligatory and monitored by the Parliament
 - Operational working groups in each ministry
- Simple and practical tools – list of key questions
- Change takes time
- Ministers and senior management are in a key position
- Time will change us...





Questions?

Thank you for your attention!