

Gender Budgeting as PFM in OECD Countries: Empirical Evidence from Sweden

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Abstract

One of the most significant changes in the labour markets of OECD countries – especially Sweden - over the past decades has been the reduction in the gender gaps in tertiary education and earnings, and the increasing female labour force participation rates. This paper analyses how Sweden has endeavored to reduce the gender gaps in labour markets and other socio-economic gender disparities using gender budgeting as a tool of accountability. The analysis revealed that despite progress made by Sweden in improving gender equality, there is still gender gap in a few areas. The empirical evidence suggests that Sweden follows a “dual approach” in gender budgeting within the Public Financial Management (PFM) practices. While “gender mainstreaming” within PFM is an essential tool for the ex-post budget analysis through a “gender lens”, Sweden has realized that it must be combined with “ex-ante gender assessments” to frame specifically targeted budgetary allocations for tackling gender equality. This Swedish dual approach of gender budgeting within the PFM is a comprehensive model for gender budgeting within the OECD countries. A systematic evolution of “gender neutral” parental leave policy has also been a significant policy ingredient in Sweden towards increasing the work force participation of women.

Key words: Public Financial Management, Gender Budgeting, OECD

JEL Classification Codes: E62, J16, H30

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The OECD survey on gender budgeting conducted in 2016 reported that almost half of OECD countries (15 out of 34 members) have introduced (Austria, Belgium, Finland, Iceland, Israel, Japan, Korea, Mexico, Netherlands, Norway, Spain, Sweden), plan to introduce (Italy) or are actively considering the introduction (Turkey, Czech Republic) of gender budgeting. Within the OECD countries, Sweden has been among the pioneers of gender mainstreaming, though gender budgeting is relatively a new endeavor.

Gender budgeting is a fiscal policy innovation to integrate a gender “lens” within the budget process, through identifying the analytical matrices and institutional mechanisms, to tackle gender inequalities (Chakraborty, 2014). Sweden has a long history of promoting progressive fiscal policy practices to tackle gender inequalities. The separate personal income taxation, the parental allowance and the development of care economy policies like public child care are the prominent fiscal policy tools among them. However, there is no empirical paper on gender budgeting processes in Sweden.

This paper examines the process of gender budgeting in Sweden, within the plausible frameworks of Public Financial Management. Section 1 analyses the gender budgeting frameworks within Public Financial Management (PFM). Section 2 analyses the rationale for gender budgeting in Sweden by examining the trends and patterns of gender indicators. Section 3 analyses the policy advancements in Sweden in terms of gender budgeting. Section 4 concludes.

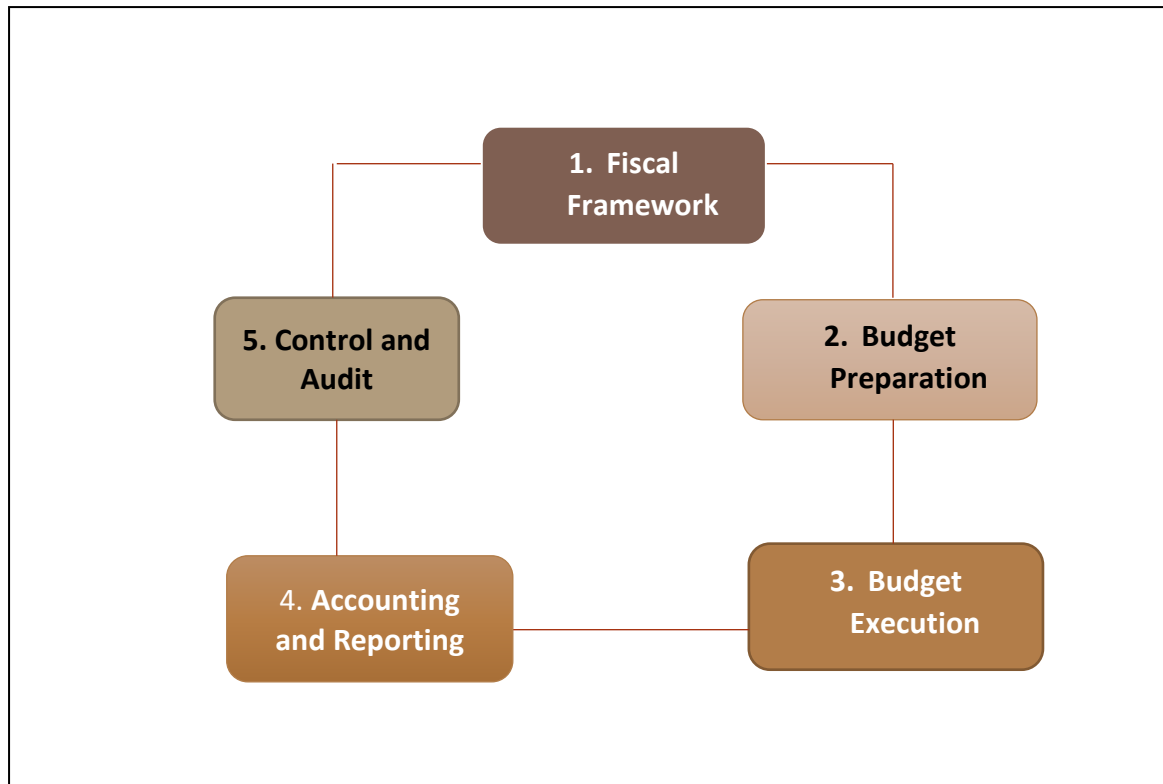
I. Gender Budgeting in Public Financial Management (PFM)

Gender budgeting has taken differentiated fiscal approaches across countries. It has been conducted at ex-ante and ex-post levels of budgeting processes. At ex-ante levels, needs-based gender budgeting and a gender-aware resource allocation have been conducted. At the ex-post levels, the existing budgets are assessed through a gender lens, within the PFM practices. Sweden belongs to latter category. In various phases of PFM cycle, there are logical entry points to integrate gender budgeting. Figure 1 provides a stylized overview of PFM as narrated by IMF (2017).

The Public Financial Management (PFM) is inclusive of five stages. One, the fiscal framework with the objectives and targets set by the fiscal policymakers; two, the preparation of Demand for Grants and the Budget Speech with tax proposals (announced in separate Finance Bill) followed by the approval of budget (voted) by the legislature; three, the execution of budget and meeting the revenue projections/targets set; four, the preparation of annual financial statement and the finance accounts; and five, the audit of the finance accounts. Ideally gender budgeting needs to be integrated in all the cycles of PFM, and it is not a separate

budgeting exercise outside the purview of PFM. The questionnaire used by IMF in preparing the gender budgeting in PFM is attached in Appendix 1.

Figure 1: Public Finance Management (PFM) Cycle



Source: IMF (2017)

I.1: Model Building

The gender budgeting is a fiscal policy innovation, which includes model building, institutional mechanisms, capacity building and accountability (Chakraborty, 2014; Chakraborty, 2016). This fiscal innovation requires heterogeneity of stakeholders including academia, fiscal authorities, Parliamentarians, auditors and civil society organisations. Gender budgeting is an all-encompassing term. It adopts fiscal policies – both expenditure and revenue policies along with the intergovernmental fiscal transfers - to tackle gender inequalities. It also conducts gender-aware Public Financial Management. The model of gender budgeting in Sweden refers to the latter.

I.2: Institutional Frameworks

1. Legal Mandate : Ideally, the framework and guidelines for gender budgeting should be mandated by legislations by including gender budgets in a country's Constitution or National Budget Laws, if not as fiscal rules.

2. **Budget Call Circulars:** The Budget Call Circulars is an instruction document for sectoral ministries and public institutions on how they have to send the “demand for grants” incorporating the macroeconomic assumptions or fiscal projections. A clear instruction can be incorporated in this Budget Call Circulars that all line ministries/sectoral ministries and public institutions need to carry out gender budgeting.
3. **Gender Budget Statements:** Gender Budget Statement is a significant fiscal policy tool to execute gender budgeting. These Statements capture how much a country spends on gender related policies. It is also an accountability tool for the government, which can be placed in Legislature along with other budget documents. Ideally, the Gender Budget Statements should capture “ex-ante”, the ways in which fiscal policies can affect women and men differently, incorporating the “inter-sectionality elements” like ethnicity, age, income quintiles and sexual orientation. This exercise is referred to as “Gender Based Analysis” or “GBA-plus” in Canada. This is prior to the ex-post analysis of the budget through a “gender lens”. A systematic use of fiscal data to design public policies for men and women can be made possible through Gender Budget Statement, which can be integrated in the next budget cycle.
4. **Classification of Budgetary Transactions and Public Finance Management Information Systems (PFMIS):** Public finance data/information management system needs to be modified to provide the gender specific data wherever relevant to conduct gender budgeting. The “Classification of Budgetary Transactions” needs to adapt gender specific data and components. The gender related elements need to be automatically generated in the Public Finance Management Information Systems (PFMIS), both at the national and subnational levels.

I.3: **Capacity Building:** Skill development in conducting gender budgeting and preparing the gender disaggregated data is significant for the sustainability of the gender budgeting exercises within the government.

I.3: Accountability Tools

5. **Fiscal Marksmanship:** Fiscal marksmanship refers to fiscal forecasting errors. There can be significant deviations between budget estimates and actual spending. Fiscal Councils are the independent agencies, which usually examine the marksmanship of fiscal forecasting. This analysis needs to be extended to gender budgeting to analyse whether there is any deviations between what Finance Minister has budgeted and the real spending on the ground sectorally. It is equally relevant to analyse the

reasons for the deviations, and whether the sources of errors in forecasting is random or systematic. If systematic, such biases can be improved by better forecasting techniques by the forecasters. If random, the sources of errors are beyond the control of the policy makers.

6. Performance–budgeting frameworks and Outcome budgeting: Performance-related budgeting is a significant policy tool to relate gender budgeting to outcomes. In many countries, the classification of budgetary transactions are based on programme-based frameworks, or “outcome budgets” linking the “financial resources” to “results”. The programme-based budgeting focusses on the policy objectives. On the other hand, the inputs-based budgeting focusses on the cost of inputs such as salaries and wages and other purchases of goods and services. Monitoring outcome is as important as monitoring financial inputs.
7. Fiscal Benefit Incidence and Gender Impacts: The distributional impact of fiscal policies on individuals in different income quintiles across gender, geography and ethnic groups is important to analyse the “benefit capture”. Public expenditure benefit incidence analysis has two components, unit costs and units utilized. For instance, in the education sector, it is possible to analyse whether the boys or girls of elite income quintiles benefit from an education programme or from the lower income quintiles.
8. Audit and Accountability mechanisms: The audit of finance accounts is usually undertaken by the Comptroller and Auditor General of the country. These audited accounts are published with a time lag. In the audits, integrating a “gender lens” is crucial. Public expenditure reviews can also be employed to assess the impact of gender-related policies, and identify the scope for improving the efficiency and effectiveness of these policies. The finance audits have broader scope than gender audits. The gender audits can be applied to the specifically targeted expenditure programmes, for instance, the programmes relate to maternal and reproductive health, and education programme for girls. However, in the mainstream programmes like financial inclusion and employment generation, a “gender lens” can be applied in the financial audits to analyse whether these programmes could result in men and women receiving the benefits with equal access.

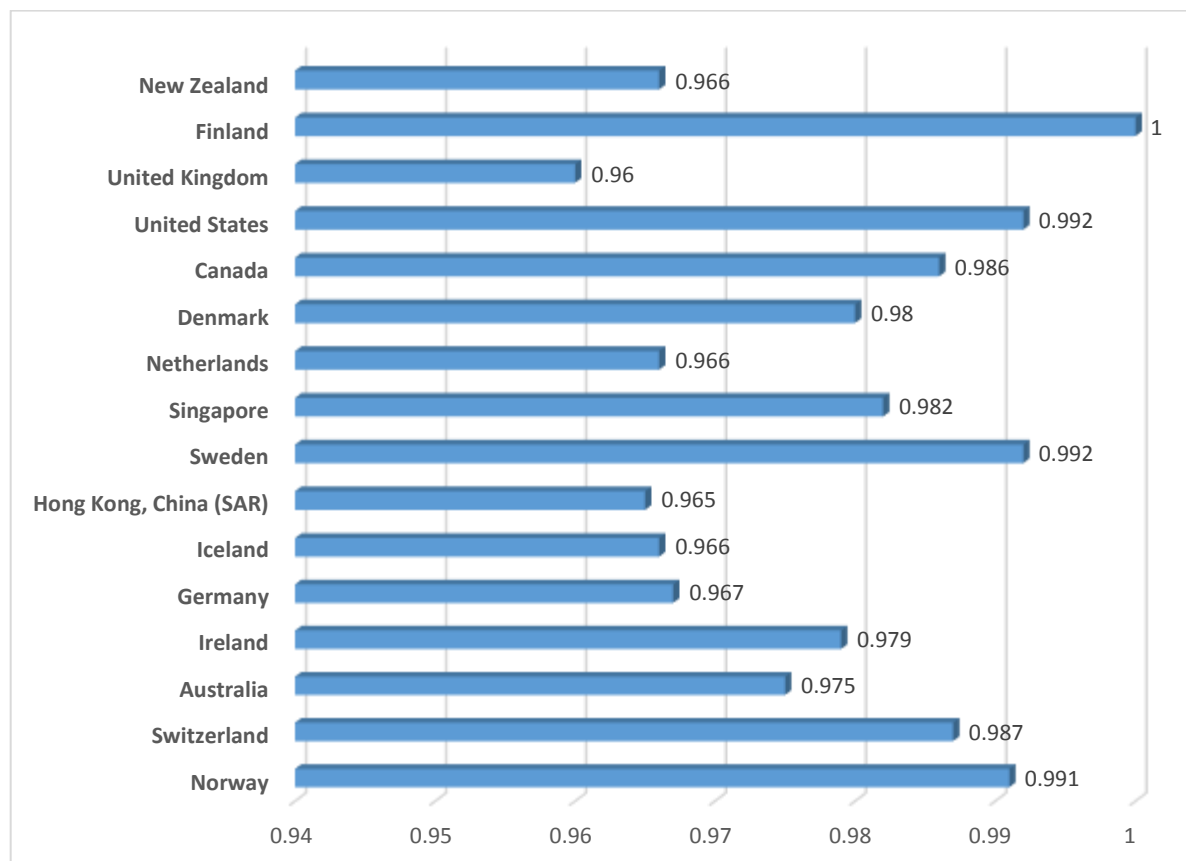
II. The Rationale for Gender Budgeting in Sweden : The Gender Diagnosis

Sweden, despite the attempts to reduce the gender gaps, is still faced by significant differentials in the salary earned by women and men. There is also

significant gender differentials in the percentage of women and men gainfully employed. One of the thrusts of gender budgeting is to increase the female work force participation rates of women, by designing appropriate public policies. Integrating gender perspectives in macroeconomic policies is vital to have sustained economic growth process. It has equity and efficiency dimensions. The budget prima facie may appear to be gender neutral. But it can turn gender blind if the policy makers do not integrate the specific gender concerns of a country into the macro policies and resource allocation. The logical entry points to integrate gender perspectives need to be identified in all phases of Public Financial Management. This section attempts the gender diagnosis in the context of Sweden.

The Gender Development Index (GDI) measures the gender gaps in human development achievements by accounting for gender disparities in three basic dimensions – health (H), knowledge/education (E) and living standards (Y) using the “equally distributed equivalent” components. Further, under the GDI, the average value of each component variable is substituted with equally distributed equivalent achievements (X_{ede}), which represents the level of achievement that would, if attained equally by men and women, be considered exactly as valuable to the society as the actually observed disparate achievements (Lahiri, Chakraborty, Bhattacharyya, 2003).

Figure 2: Gender Development Index (GDI) of top 15 Countries (2017)



Source: United Nations Human Development Report, Statistical Data (2018)

The X_{ede} can be represented as follows.

$$X_{ede} = [n_f (1/X_f) + n_m (1/X_m)]^{-1}$$

where, X_f and X_m are the values of the variable for females and males, and n_f and n_m are the population shares of females and males. X_{ede} is a 'gender-equity-sensitive indicator' (GESI). Under this calculation, for a chosen value of 2 for constant elasticity marginal valuation function, GDI is computed as follows:

$$GDI = \{H_{ede} + E_{ede} + Y_{ede}\}/3$$

GDI is an extended version of HDI, circumscribed by penalty to gender inequality. The GDI for the top 15 countries for the year 2017 (the latest estimate available) are given in Figure 2.

Another measure of gender diagnosis is the Gender Inequality Index (GII). It is a composite index based on three dimensions—reproductive health, empowerment and the labour market. It reflects the loss in potential human development due to inequality between female and male achievements in these dimensions. It ranges from 0 (equality) to 1 (perfect inequality). The Gender Inequality Index (GII) of Sweden is 0.044.

The Maternal Mortality Rate (MMR) of Sweden is as low as 4 per 100,000 live births. The female employment share in middle and senior level management in Sweden has increased from 27.4 per cent in 2000 to 39.5 per cent in 2016. The female share of graduates in science, mathematics, engineering, manufacturing and construction at tertiary level is only 14.2 per cent of students. The proportion of seats held by women in national Parliament in Sweden has increased from 42.7 per cent in 2000 to 43.6 per cent in 2017. The proportion of women in ministerial level position in Sweden is 52.2 per cent in 2016 (latest data).

The employment of women in agriculture, industry and services, as per cent of total female employment, is 1.0, 7.1 and 91.9 per cent respectively for the year 2017, while for men, it is 2.6, 28.3 and 69.1 per cent respectively for the same year. The unemployment for female (as per cent of total female labour force) is as low as 5.0 in 2000, though slightly increased to 6.4 per cent in 2017; while for men it was 5.9 % in 2000, and risen to 7.0 per cent in 2017. The wage and salaried workers is as high as 94.2 per cent for women as per cent of total female employment; and 86.4 per cent for men, as per cent of total male employment. The total unemployment rate (female to male ratio) is 0.90.

Table 1: Gender Indicators of Sweden (2017)

Gender Development Index (GDI)	0.992
Gender Inequality Index (GII)	0.044
Estimated gross national income per capita, female (2011 PPP \$)	41,743
Estimated gross national income per capita, male (2011 PPP \$)	53,777
Female share of employment in senior and middle management (%)	39.5
Female share of graduates in science, mathematics, engineering, manufacturing and construction at tertiary level (%)	14.2
Human Development Index (HDI), female	0.927
Human Development Index (HDI), male	0.934
Mandatory paid maternity leave (days)	NA (Parental leave)
Maternal mortality ratio (deaths per 100,000 live births)	4
Share of employment in non-agriculture, female (% of total employment in non-agriculture)	48.3
Share of seats in parliament (% held by women)	43.6
Total unemployment rate (female to male ratio)	0.90
Violence against women ever experienced, intimate partner (% of female population ages 15 and older)	28.0
Violence against women ever experienced, non-intimate partner (% of female population ages 15 and older)	12.0
Women with account at financial institution or with mobile money-service provider (% of female population ages 15 and older)	100.0
Youth unemployment rate (female to male ratio)	0.92

Source: United Nations Human Development Report, Statistical Data (2018)

The health related indicators are given in Table 2. The life expectancy at birth for females is 84.1 years and men is 80.6 in 2017. The under-five mortality rate (per 1000 live births) is 2.6 for girls and 3.1 for boys (Table 2).

Table 2: Health Indicators of Sweden (2017)

Life expectancy at birth (years)	82.6
Adult mortality rate, female (per 1,000 people)	40
Adult mortality rate, male (per 1,000 people)	64
Child malnutrition, stunting (moderate or severe) (% under age 5)	nil
Current health expenditure (% of GDP)	11.0
Life expectancy at birth, female (years)	84.3
Life expectancy at birth, male (years)	80.9
Life expectancy index	0.963
HIV prevalence, adult (% ages 15-49)	0.2
Mortality rate, infant (per 1,000 live births)	2.4
Infants lacking immunization, DPT (% of one-year-olds)	1
Infants lacking immunization, measles (% of one-year-olds)	3
Malaria incidence (per 1,000 people at risk)	nil
Tuberculosis incidence (per 100,000 people)	8.2
Mortality rate, under-five (per 1,000 live births)	2.9

Source: United Nations Human Development Report, Statistical Data (2018)

The school primary completion rates is 100 per cent for girls, as percent of relevant age group, and 98.2 per cent for boys. The total fertility rate (TFR) is a good indicator to reflect “agency”. In Sweden, the TFR (births per woman) is 1.9 in 2017. The adolescent fertility rate (the births per 1000 women in the age of 15-19) decreased from 6.7 in 2000 to 5.2 in 2017.

The Global Gender Gap Index, first introduced by the World Economic Forum in 2006, is based on Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment. The values of gender parity ranges from 0 (disparity) to 1 (parity). The rankings reflect whether countries have taken effective measures for reducing gender gaps. As per this index, the most gender-equal country to date is Iceland. It has closed over 85% of its overall gender gap. Iceland is followed by Norway (83.5%), Sweden and Finland (82.2%).

III. The Gender Budgeting Policy in Sweden

Since 1994, gender mainstreaming has been in operation in Sweden. In 2002, a clear mandate was given to introduce gender mainstreaming in public finance and budget management [Swedish Government (2007a and b)]. In 2014, the newly elected Swedish government declared itself a “Feminist government”. This government was committed to incorporate gender equality perspectives in macroeconomic policy and budgeting. The objective of the feminist government’s Gender Equality Policy is “that women and men shall have the same power to shape society and their own lives”. A dual approach has been introduced to implement its Gender Equality Policy. This dual approach is combining the “gender mainstreaming” with specifically targeted policies and budgeting for gender equality. Along with gender mainstreaming in budget, recently a requirement was felt to incorporate specific budget appropriation for gender equality (Table 3). In 2014 itself, this process was strengthened with institutionalization of gender budgeting in Budget bill by the 2014 elected “feminist government”.

Table 3: Phases of Gender Mainstreaming and Budgeting in Sweden

Year	Evolution of Gender in Budget processes in Sweden
1994	Gender Mainstreaming began at Federal level
2002	A clear mandate for Gender Mainstreaming in Budget process
2014	Intention to institutionalize gender budgeting , announced by then newly elected “Feminist” Government
2016	<ol style="list-style-type: none"> 1. Budget Call Circular includes instructions for gender budgeting 2. Requirement to carry out “Gender Impact Assessments” in early stages of new Budget proposals. 3. Requirement for Gender-disaggregated data was recognized and announced. 4. To analyse the current status of women, Gender Equality Indicators are designed.
2018	Strengthening of “dual approach” to tackle gender inequalities ; (a) gender mainstreaming on government agencies (GMGA) and (b) introducing “specific” Budget provisions through Gender Budgeting

Source: Author’s discussions with experts in Government of Sweden, August 2018

In the dual approach, for gender mainstreaming, the Government of Sweden has a programme referred as GMGA (Gender Mainstreaming in Government Agencies). This aims at integrating government’s Gender Equality Policy objectives into the activities and services provided by the Government ministries

and agencies. The second element in the dual approach is to implement the gender equality policy through specific budget provisions through gender budgeting.

Table 4 incorporates the cross-country experiences on gender budgeting within Public Financial Management of G7 and non-G7 countries including Sweden, compiled from IMF (2017) and OECD (2016). The discussion with the Government of Sweden revealed that within Public Financial Management, gender budgeting is incorporated within budget call circular and the gender impact assessments are conducted. As part of gender mainstreaming processes, the gender equality indicators are identified and performance of these indicators are reported. However, Sweden has not altered the classification of budgetary transactions to integrate and “automate” gender budgeting allocations as a “budget code” in the budget. The auditing and accountability mechanisms are yet to be incorporated in gender budgeting in Sweden.

Table 4: PFM Cross-country Experiences in Gender Budgeting

PFM Steps	G7							Non G7			
	Canada	France	Germany	Italy	Japan	United States	United Kingdom	Austria	Belgium	Sweden	Spain
Legal framework for Gender Budgeting and Public Financial Management	L	P	L	P	P	L	L	F	P	N	P
Institutional mechanisms for Gender Budgeting	L	P	L	L	F	L	L	F	L	F	P
Gender Budget Statement	F	F	L	N	P	L	L	F	P	N	F
Gender Impact Assessments	F	F	L	L	L	P	F	F	L	N	F
Budget Call Circular Instructions for Gender Budgeting	L	L	L	L	L	L	L	F	F	F	L
Performance Budgeting integrates Gender Indicators	P	P	N	L	F	P		F	L	F	F
Publication of Gender related Performance Indicators	P	P	N	L	F	P	F	F	L	F	F
Existence of fiscal data disaggregated by Gender	L	P	N	N	P	L	L	P	L	N	P
Publication of fiscal data disaggregated by Gender	L	P	N	N	F	L	L	P	L	N	F
Classification of Budgetary Transactions integrates Gender Budgeting	L	P	L	L		L	L	L	L	N	P
Budget execution reports, annual financial statement include data on gender-related expenditure and revenue	L	L	L	L	P	L	L	P	L	N	L
Parliamentary control (ex ante /ex post)	P	F	N	L	L	F	F	N	L	L	F
Annual audit of the budget covers gender related aspects	P	L	N	L	L	L	L	N	L	L	L

Note: F = full application of the PFM tool; P = partial application; L = limited application; N = no information

Source: IMF (2017), OECD (2017) and the discussions with the experts in Government of Sweden in August-September 2018 by the author.

In the external sector, Sweden's gender equality vision has been integrated into the foreign policy of Sweden, and officially became a country with "feminist foreign policy"².

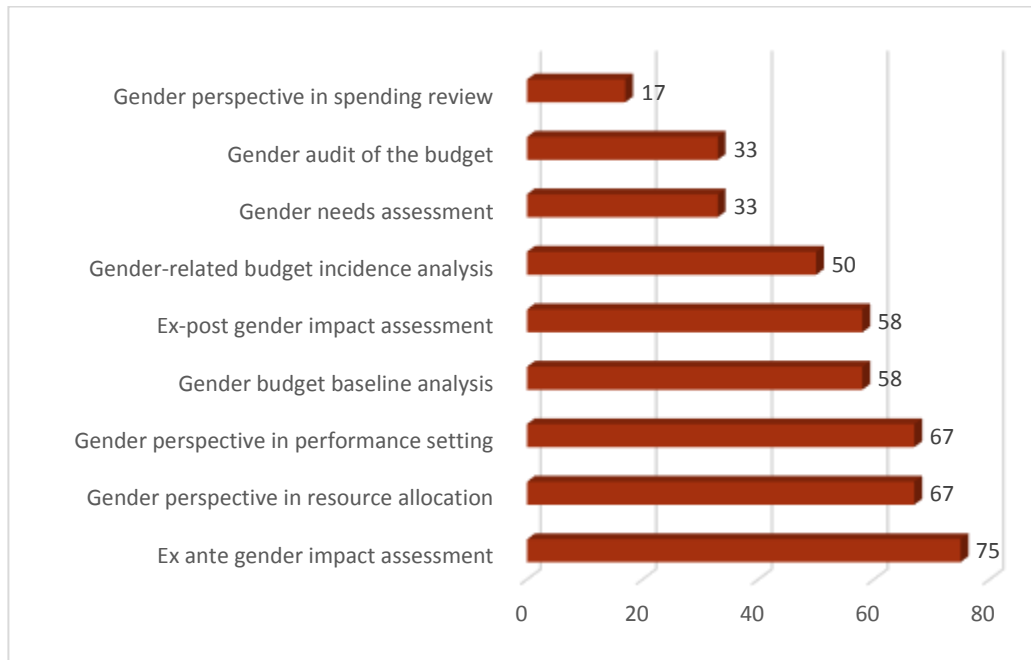
Since 2016 the annual Budget Circular made it mandatory to conduct gender budgeting in Sweden, and the circular includes clear instructions on how to apply gender lens throughout the budget process. The Call Circular has made it mandatory to conduct gender impact analysis at the early stages of new budget proposals (OECD, 2017). It also specifies about the requirement of building sex-disaggregated data. It is made mandatory to capture the gender diagnosis by devising new gender equality indicators to reflect current gender status in Sweden.

In 2016, OECD has conducted a survey on gender budgeting and identified that Sweden is one of the twelve OECD countries that introduced gender budgeting to date. In OECD countries, gender budgeting was introduced either as fiscal fiat through high level political commitment or through legal fiat. The OECD survey noted that 75 per cent of countries in OECD has legal mandate to conduct gender budgeting. However, Sweden has introduced gender budgeting through a high level political mandate, not as a legal commitment.

Two important developments in gender budgeting process of Sweden are the systematic collation of gender disaggregated data across sectoral provisioning of public services, and the performance-based gender equality indicators. These policy developments on data and performance indicators is to systematically monitor and evaluate the gender budgeting process and report to Parliament on gender impact assessments of budget policies. It is too early to assess the effectiveness of gender budgeting on gender outcome in Sweden as it has begun very recently (Figure 3).

² <https://www.government.se/speeches/20192/02/the-governments-statement-of-foreign-policy-2019/>

Figure 3: Usage of Tools of Gender Budgeting within PFM (% of Countries within OECD-Gender Budgeting Countries)



Source: OECD Surveys on Gender Budgeting and Author’s discussions with Government of Sweden in August-September 2018

In Sweden, incorporating gender perspective in resource allocation has not yet done. It is expected that Sweden will integrate gender perspectives in macroeconomic policies with further clarity (Table 5).

Table 5: Tools of Gender Budgeting used in Sweden

	Tools of Gender Budgeting	Used in Sweden
1	Ex ante gender impact assessment	Yes
2	Gender perspective in resource allocation	No
3	Gender perspective in performance setting	Yes
4	Gender budget baseline analysis	No
5	Ex post gender impact assessment	Yes
6	Gender-related budget incidence analysis	No
7	Gender needs assessment	No
8	Gender audit of the budget	Yes
9	Gender perspective in spending review	Yes

Source: OECD Surveys and Author’s discussions with Government of Sweden in August-September 2018

Sweden began with gender mainstreaming in federal departments and moved to gender budgeting. It is interesting to recall here the experience of Canada is also similar to that of Sweden. They began with “gender mainstreaming”

first with the policy tool of “Gender Based Analysis” (now GBA plus) and later on introduced gender budgeting in 2018 with the Trudeau feminist government. However, the care economy policies in Sweden is worth examining, as care economy is one of the major thrusts of gender budgeting policies. India has gender budgeting since 2014-15 , though Sweden has introduced it very recently in 2016 after realizing that a dual approach is required along with “gender mainstreaming” in Ministries. In India, the experiment is reversed. India began with specific gender budgeting policy and later on through adequate institutional mechanisms and analytical matrices, has progressed towards “gender mainstreaming” in Ministries in their budgetary resource allocation.

III.1: Effectiveness of Gender Equality Policy Goals

Sweden has a national “gender equality policy” to strengthen the equality between men and women, providing the same opportunities to shape their own lives and the society. The expected policy outcome are related to six areas including tackling power, influence, finances, education, work and physical integrity (Table 6).

Table 6: Gender Equality Policy Outcome of Swedish Government

Areas		Expected Policy Outcome	Women and men, girl and boys must have the same rights and opportunities
1	Power	Gender equal division of power and influence	To be active citizens and to shape the conditions for decision-making.
2	Economic Independence	Economic gender equality	To paid work, which give economic independence throughout life.
3	Education	Gender equal education	To education, study options and personal development.
4	Care Economy	Equal distribution of unpaid housework and provision of care	To give and receive care on equal terms.
5	Health	Gender equal health	To good health and be offered care on equal terms.
6	Physical Integrity	No violence against women	To have right and access to physical integrity.

Source: Author’s discussions with Government of Sweden in August-September 2018

The expected outcome of gender budgeting is to ensure fairness, providing choices, freedom and priority to make use of the potential of every person,

towards sustainable economic growth and development of the labour market and socio-economic welfare in Sweden.

Sweden experience of care economy policies highlight that a policy that can bring radical change to increase the female work force participation. This is to make the child care leave “gender neutral”. Making the eligibility for paid parental leave gender-neutral can be policy transformation. The recognition of public policy in Sweden is that “shared parenting” leads to greater gender equality, and economic welfare. The basic premise of these policies is that “equal sharing” by integrating men in every aspect of child care can lessen the marginalization of women in job markets and also reduce the gender gap in earnings because of the potential productivity losses because of “motherhood”. The most radical transformation in the institution of “motherhood” is therefore to include men in care economy. This also provide recognition to energy, time and resources expended disproportionately by women in care economy.

In Sweden, “equal parental leave (EPL) rights” for men and women was introduced in 1974. Both men and women were given an equal number of paid parental leaves, with the flexibility to swap the paid leaves between each other. Empirical evidence shows that more women than men had accessed this, though parents were provided equal shares in paid leave.

In 1995, to encourage more men to take up paternal leave, Sweden implemented the “daddy-month” reform. This has provided extra monetary incentives for men to take up parental leave, and with no flexibility of transfer of these paid daddy month to women. In 2002, Sweden announced a second “daddy month” where the paid leave for men was increased to two months. The total number of paid parental leave days was increased to 480 days.

Empirical evidence shows that this enhanced paid paternal leave entitlement has had a significant effect towards men taking up child-care since 1995. This public policy has potential positive impacts in reducing the gender gap in earnings as gender differentials in the time spent on young children earlier had negatively impacted women’s earnings. India has recently introduced two years’ childcare leave for “mothers” (after the Sixth Pay Commission recommendations) in addition to the “maternity leave benefits”. This is indeed a commendable achievement in integrating the “care economy” in macroeconomic policies. However, in the last mile, these paid leaves must be made gender-neutral by extending it to fathers along with mothers—a non-transferable leave, at least, for a specific period for fathers and the rest of the leaves with some flexibility on swapping between the parents. This induces a positive impact on female labour force participation as the workplace cannot discriminate against or marginalize women by not promoting them citing childcare dynamics.

Making paid childcare policies gender-neutral is a long-term policy step to reduce gender differentials in labour force participation and the gap in wages. The sociology of fiscal policy is indeed the crucial point. If this potential policy measure of “equal sharing” in the care economy would induce intra-household tensions in negating the stereotype gender roles—the role of the father as a caregiver is in conflict with the patriarchal set-up—that needs to be dealt with by positive evidence. Awareness needs to be built on what “equal sharing” in the care economy can bring to people towards having quality relationships, and enabling both men and women to contribute equally to economic growth.

On expenditure side, mandated parental leave, along with high-quality care economy policies and flexi-work time for men and women with young children, can ensure parents actively contribute to economic growth. This is a must for quality human capital formation, which, in turn, ensures intergenerational equity. This should be an additional fiscal entitlement along with the flexibility of reallocation of the existing paid childcare leave between fathers and mothers before the child turns eighteen years-old. The view that “motherhood” is a hindrance for woman in efficiently contributing to economic growth just because of the traditional roles assigned to her needs course correction. The social content of this policy would be nothing less than a fitting response to futile questions like “can men mother?” or “what can a man do in the child care business?”

On revenue side, in case of taxation policies, Sweden has moved away from male breadwinner model, and they introduced individual filing than joint tax filing. This is a significant step towards feminist tax policy. It is also important to note that the stability of taxation is crucial to understand how the public benefits are designed in a country. The taxation policies based on family than individuals can create a disincentive for the second earner to work, as he/she is taxed at a higher marginal rate (IMF, 2017).

In Sweden, the polarization ratio, the ratio q_1 to q_5 income quintile – is insignificant. These macroeconomic parameters also provide an enabling environment to maintain a gender equal policy goals in the country. The concept of “equality” enshrined in the Swedish constitution also has been favourable towards designing the gender equality goals in the country through macroeconomic policies. Gender budgeting ensures that macroeconomic policy is used to increase economic equality and gender equality. There is no major tax evasion or tax havens in Sweden. The income inequality – the widening gap between the earnings of high income (q_5) quintile and q_1 (low income quintile) can spill over into other forms of inequality including gender inequalities.

In Sweden, policies systematically helped to achieve high levels of education and health, and it is important for human capital formation. The migrant population is on the rise and Sweden has open immigration policy. Sweden has

sound social security policies. This includes the unemployment insurance and old age pensions. This can enhance the well-being, especially of women. The intersectionality aspects of gender budgeting incorporating age cycle, ability, ethnicity and spatial dimensions are relevant to make it work for all segments of population.

On external front, Sweden has feminist foreign policy. Sweden is signatory to many international conventions that aim to eliminate the discrimination and violence against women, and also has been a positive presence in peace and security negotiations. A wide range of fiscal and non-fiscal policy tools has been used in Sweden to reduce gender inequalities. Sweden has implemented regulatory frameworks for reducing the violence against women and children. These legislative frameworks need corresponding budgetary supports.

IV. Conclusion

Gender budgeting is an innovative fiscal tool to integrate a “gender lens” in all cycles of Public Financial Management (PFM). Sweden has for many years been recognized for its gender mainstreaming policy in government departments, though gender budgeting has been introduced recently. Though gender disaggregated data has been collated on a systematic basis and the performance-based gender indicators are introduced, Sweden has to strengthen the processes of integrating gender in the ex-ante budget proposals and to link it to outcomes. One of the thrusts of gender budgeting policies is to increase female labour force participation through providing adequate care economy policies. This is one of the areas where Sweden has taken a great leap forward by making the parental leave policies gender neutral. Sweden is in a stage of working progress with respect to preparing the gender impacts of budgetary policies, and in designing the development of gender indicators to track progress towards attaining the gender equality goals of the Government.

Appendix 1: IMF PFM Questionnaire on Gender Budgeting

The following is the questionnaire used by the IMF's Fiscal Affairs Department (FAD) for gender budgeting within PFM.

Institutional framework

1. Does the legal framework for public finance and budgeting include specific provisions related to gender issues or gender budgeting? Where can these provisions be found in the Constitution, an organic law, a Public Finance Law, or other laws and regulations?
2. Are there specific arrangements for coordinating discussions within the government on gender related issues, in particular decisions related to expenditure programs or tax policy?
3. Who is responsible for coordinating these decisions (e.g., a Ministry or Agency for Gender, an Inter-Ministerial Committee on Gender, the Prime Minister's Office, and/or the Ministry of Finance)?
4. Is there a Gender Budget Statement which has been adopted by the government and made public?

Budget preparation

5. Does the government occasionally/systematically carry out a gender impact assessment (or a gender incidence analysis) of new government policy initiatives, equivalent to an economic or financial impact assessment, before they are approved by the government? Which government ministries/agencies are responsible for carrying out this work?
6. Does the budget circular issued by the Ministry of Finance at the beginning of the budget cycle each year, or other budget guidelines issued by the Ministry, include details or instructions on the application of gender budgeting (e.g., how to calculate the gender impact of new spending proposals or tax policies)?
7. Does the government have in place a framework for managing and monitoring the performance of ministries and agencies in delivering public services (i.e., program/performance budgeting)? Does this framework include specific performance targets or indicators relating to gender equality? Are these data published?
8. Does the government systematically collect fiscal data that are disaggregated by gender? Are these data published, e.g., in the annual budget documentation? Please provide examples.

9. Does the budget classification or chart of accounts incorporate a gender perspective? Is there a program or sub-program within this classification that specifically relates to gender equality?

Budget execution, monitoring, and control

10. Do budget execution reports issued by the government or its annual financial statements include information on gender-related expenditures or tax policies?

11. Has the legislature/parliament conducted any hearings, or published any reports in the last three years that discuss the impact of the budget or tax policy decisions on gender equality?

12. Has the national audit office published any reports in the last three years that analyze the ex post impact of budget or tax policy decisions on gender equality?

Other

13. Please indicate any existing gender budgeting policies or practices of the central government or sub-national governments that are not mentioned in the above questionnaire.

14. Please list any relevant documents or websites where the information requested above is available.

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