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Review theme: Evaluation of progress in the implementation of the agreed conclusions of CSW 52 on "Financing for gender equality and the empowerment of women"

Panel 3: National experiences in implementing the agreed conclusions of CSW 52

Making Public Finance Management Systems gender responsive:

The GRB Experience in Austria

by

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In Austria Gender responsive Budgeting (GRB) is integrated into a comprehensive budget reform¹, which was adopted in Parliament by unanimous decision. The reform enshrines a medium term expenditure framework, accrual budgeting and accounting and performance budgeting. The latter comprises GRB as a key element and will be applied as of the budget bill for 2013, which is currently under preparation.

GRB was even anchored in the Austrian constitution where article 13 requires the following: “Federation, States and Communes are to strive for the effective equality of women and men in their budget management.”

According to article 51 of the Austrian Constitution, GRB is defined as an integral part of performance budgeting:

“Within Federal budget management the fundamental principles of impact orientation, especially under consideration of the objective of the effective equality of women and men...are to be observed.”

Why and how to introduce GRB ?

Fostering gender equality efficiently means to focus on the most important levers for decision making. The overwhelming experience in different countries and political cultures indicates that budget decisions are key decisions as they represent government policy translated into numbers. Therefore, the budget is the key lever for gender equality. Consequently gender issues should be directly linked to the budget process as strong as possible.

There are considerable political and technical challenges to introduce GRB. They vary according to different political systems and cultures. Thus, there is no one size fits all – approach to launch a successful GRB-initiative. Never the less there are some general aspects, which might be relevant for every country and therefore should be in any way taken into account. As far as the political strategy to implement GRB is concerned, the following issues deserve special attention:

¹ See details in: Gerhard Steger, Austria’s Budget Reform: How to Create Consensus for a Decisive Change of Fiscal Rules, in: OECD Journal on Budgeting, Vol. 2010/1, pp. 7-20.

- Create awareness for gender issues: This is about convincing decision makers to support GRB. Politicians, senior civil servants, social partners and others should be aware of the advantages of performance budgeting in general and GRB in particular. The motives for different stakeholders may be different. A good strategy to implement performance budgeting including GRB should detect those motives and try to identify an advantage for each stakeholder to support GRB. A few examples: For politicians such a motive could be to rally support in their constituencies, members of government and senior civil servants could be attracted by the chance to present their achievements to the public.
- Form alliances with NGO's, experts outside the administration and media: Civil society is a very important factor to push an issue. Especially in a gender context NGO's often play a key role in addressing the respective topic. Experts from universities and other institutions are valuable multipliers for gender issues and so are the media. Establishing alliances between politicians, administration and civil society may be an effective strategy to concentrate energies, which are necessary to lobby successfully for GRB. The broader the alliance in favor of GRB, the higher is the chance to succeed and to prevent later setbacks.
- Use windows of opportunities to launch GRB: Depending on the context it may either be more promising to lobby for GRB as a single issue or to use general political or administrative reform initiatives to integrate GRB into the reform portfolio. In any case GRB should be launched well prepared. This refers to well-designed concepts as well as to well-orchestrated support in the political arena and in civil society. It may take several attempts to succeed. The better the preparation is, the higher is the chance that even a finally unsuccessful attempt anchors GRB in the political debate and thus increases the chance that the next try will reach its objective.

The technical challenges to implement GRB are very important as well. Inadequate technical preparation can jeopardize the successful implementation and destroy political support for GRB. Thus, a well prepared GRB-initiative has to make sure that the technical challenges are handled adequately. The following issues may be important examples of such challenges.

- Don't try to create a perfect system which covers everything: To make GRB a success the design needs to be simple and focused on the most important aspects. If the design is too complex, GRB will very likely be a failure. Thus, a reality check (pilot project) of the respective concept is extremely helpful to figure out, if administration is able to cope with GRB and if the recipients can make use of the results. Performance budgeting and GRB should be designed lean and focused to avoid the danger of creating a bureaucratic monster. One important aspect in this respect is to keep tools simple: This applies for the standards used to present GRB-results in the budget or in other documentations as well as for IT-tools.
- Collect, analyze and disseminate sex-disaggregated and gender-related data to identify the challenges which have to be tackled: One needs to identify the problem correctly, to be able to solve it. Therefore, the existence of adequate data which reflect gender insufficiencies are key. The relevant institutions (i.e. ministries, statistical offices) should have the necessary data at their disposal. Based on the analysis of that data strategies to improve gender equality can be formulated.
- Provide adequate training of staff: The proof of the pudding is in the eating. GRB can only be applied successfully, if the administration can cope with this approach adequately. Thus, administrative staff needs training. In some countries it may be necessary to rely on consultants to train staff, but this approach bears considerable risks: Consultants are not cheap and if they leave, their skills and knowledge are not always deeply rooted in the administration. Austria has encouraging experience with civil servants as GRB-trainers, which implies the existence of a critical mass of GRB-skilled staff. This approach has crucial advantages in comparison to hiring consultants: Chances for success normally increase if civil servants train civil servants, because administration has a better chance to develop ownership for GRB. Additionally, civil servants are in most cases less expensive than consultants. Finally, skills and knowledge should better be anchored in the administration as staff stays when training is over and courses can be repeated easily if necessary.

The Austrian GRB-approach

The Austrian institutional framework links performance budgeting (including GRB) directly to the budget process. This changes the character of the budget fundamentally. While the budget traditionally defined the allocation of resources for each ministry, it now combines two dimensions: resources and results. As of 2013 the Austrian federal budget systematically defines which ministry gets which resources and at the same time declares which results will be delivered by the respective ministry in this budget year. Thus, the budget functions as an integrated steering instrument for resources and results.

The Ministry of Finance (MoF) has a pivotal role, as it sets the formal standards to present performance goals in the budget. The outcomes and outputs for each ministry are not defined by the MoF but by the respective line ministries. As they are in charge to formulate their outcomes and outputs, they are as well responsible to Parliament for fulfilling them. Chancellery monitors line ministries (performance controlling) and helps them to formulate their outcomes and outputs in an adequate manner. If there are disputes between Chancellery and line ministries on how to formulate outcomes and outputs, line ministries have the last word as they are responsible for their performance benchmarks. The Court of Audit assesses ex post, if outcomes and outputs were delivered and reports to Parliament and the public.

The Austrian performance-budgeting approach applies for all levels of the federal budget, which consists of budget chapters: One chapter per ministry is usual, in case of a very broad political portfolio two or more budget chapters are assigned to one ministry.

As part of the annual budget decision in Parliament a maximum of five outcomes (objectives) per budget chapter are to be defined by the responsible ministry. At least one of these five outcomes has to be gender-related. Thus, each ministry has to define at least one outcome referring to gender which means that gender issues have to be a cornerstone for each ministry's policy. The annual budget document requires answers to three questions for each outcome: (1) Why this objective? Why is it so important to be part of the top five priorities for the respective budget chapter? (2) What is done to achieve this objective? (3) What would success look like? This third question makes sure that detailed and verifiable benchmarks for success are defined. One may ask, if performance budgeting including GRB will work sufficiently and if the administration will live this new philosophy adequately. Performance

controlling by the Chancellery, ex post assessment of the Court of Audit and discussion of performance results in Parliament and the media should be adequate watchdogs to highlight the importance of sticking to promised results.

As the first parliamentary discussion of a federal budget bill including performance budgeting will take place in autumn 2012, it is still too early to present final outcomes and outputs. Never the less some draft outcomes in different ministries have already been formulated; here are some examples of preliminary GRB-related outcomes:

- Ministry of Education, Arts and Culture: Promoting equality in the educational system (reducing gender, ethnic and socioeconomic inequalities).
- Ministry of Economy, Family and Youth: improving work-family reconciliation.
- Ministry for Labour, Social Affairs and Consumer Protection: Increasing employment of women, especially after leave of absence.
- Ministry of the Interior: Better protection from violence, especially violence against women, young and elder people.
- Ministry of Finance: Increasing the percentage of women in supervisory board functions of larger, state owned companies.

Each budget chapter is divided into several global budgets, which represent important budget clusters within a ministry. For each global budget a maximum of five outputs (measures) are to be defined, which contribute to outcomes on the budget chapter level. Since at least one outcome per budget chapter has to deal with gender issues, consequently at least one output per budget chapter has to focus on gender. Each administrative unit in the Austrian federal administration has to fulfill operative performance benchmarks, which contribute to outputs on the global budget level. Therefore, gender is again represented. To conclude, gender is an integrated and key dimension in the Austrian approach of performance budgeting and applies for the whole federal administration.

Another important element of GRB is included in the impact assessment of drafts of legislative acts. The Austrian approach requires such an impact assessment and flags several impact dimensions which have to be dealt with in the explanatory remarks of such drafts. One of those key dimensions is gender. As the Austrian system comprises a regular evaluation mechanism for legislative acts, this applies for each impact dimension which includes gender.

Conclusion – lessons from the Austrian experience

To sum up, there are five crucial recommendations that can be drawn from the Austrian experience, which could give valuable input for other countries:

1. Make gender relevant and thus integrate it into the budget.
2. Prepare GRB carefully – politically and technically.
3. No exceptions – cover the whole administration.
4. To make sure that GRB is respected the centre of government (Presidents's or Prime Ministers Office, Chancellery, Ministry of Finance) should play a pivotal role.
5. No effective GRB without gender-related data.