

Executive Summary

This manual addresses the conceptual basis and practical steps for mainstreaming gender in Commonwealth government Ministries of Finance. It includes detailed discussion of the changes that have occurred in the role and influence of Ministries of Finance over the last two decades, and of how gender can be located within the work of Ministries of Finance. It examines some of the institutional and attitudinal barriers to mainstreaming gender within Ministries of Finance, and offers recommendations for action.

Mainstreaming gender in Ministries of Finance is a major challenge for many governments. Finance does not lend itself to engendering as easily as some other ministries might. Although women's organisations and feminist researchers and policy-makers have, in the recent past, made some headway in getting gender taken seriously in policy debates about budgets, structural reforms and credit, the average Finance Ministry views gender as peripheral to its own role and work. Changing this mindset will require both political will to back up the mainstreaming effort and carefully crafted methods for drawing out the enthusiasm and co-operation of Finance Ministry officials and staff. In addition, even as the standing of Ministries of Finance has grown in recent years, how they carry out the tasks of managing fiscal stabilisation and structural reforms has often been at cross-purposes with increasing gender justice in society or addressing women's needs and concerns. The Introduction identifies five main barriers to mainstreaming gender in Ministries of Finance:

- ◆ insufficient analytic clarity regarding the Finance Ministry's work and, in particular, its changing role during the recent period of globalisation and liberalisation of economies;
- ◆ the absence of a clear understanding of how gender is linked to that role;
- ◆ non-conducive institutional structures and the ethos within which Ministries of Finance function;
- ◆ a weak understanding of the attitudes prevalent among those who work within Ministries of Finance, and how these have been changing over time; and
- ◆ insufficient knowledge and capacity among women's organisations to engage effectively in macroeconomic policy debates.

Section 2 of the manual argues that Ministries of Finance in the past typically functioned with relatively short time horizons, and played an essentially *supportive* role vis-à-vis Planning Ministries or Planning Commissions whose task was to set the strategic direction for the structure, pattern and rate of economic growth, the distribution of income and employment, the creation of physical infrastructure, human development, and poverty alleviation. The Planning Ministry in the past functioned as the apex body that co-ordinated and balanced the strategic plans of the other ministries and took the lead.

These roles and the division of labour between Finance and Planning Ministries have changed during the current period of structural adjustment-oriented economic reforms in many countries. At a time of sharply increased fiscal stringency, the role of Ministries of Finance has changed from a supportive one to a disciplinary one. The changed role of the Finance Ministry vis-à-vis other ministries and especially relative to the Planning Ministry reflects a major change that has occurred worldwide in the meaning and parameters of macroeconomic management. In addition, maintaining fiscal and monetary discipline has become part of the larger structural reform process in which Ministries of Finance have come to have a key role. Fiscal stabilisation and structural reforms directed at liberalising and privatising the economy set the parameters today for any attempt to mainstream gender.

Section 3 discusses how gender can be addressed within such a scenario. It begins by showing that mainstreaming gender includes more than simply addressing the differential impacts of specific policies or programmes on women and men.

Conceptually, engendering the working of a ministry requires an understanding of:

- ◆ gender power relations in their diversity, and how these interact with the work of the ministry, with its institutions and structures, and with suggested policy and programme changes;
- ◆ the implications of current and future policies and programmes on the daily and generational reproduction of human beings, i.e., on what has been called the 'care economy', and its workers who are largely women; and
- ◆ the impact of current policies and programmes and any suggested changes in them on different groups of women in terms of access, effects, etc.

This understanding can be acquired through a process of gender analysis, using gender-sensitive indicators and qualitative analyses of the relative situations of women and men both in the national economy and within the structures and institutions of government and the Finance Ministry itself.

There are three interlinked points of entry to engendering the work of Ministries of Finance:

- ◆ at the level of ongoing macroeconomic management which includes responsibility for the annual budget of the government and the fiscal deficit, external and internal debt; and the Balance of Payments;
- ◆ at the level of structural reforms intended to improve the efficiency of resource use and support poverty eradication in the economy, particularly in approaches to deregulation, liberalisation and privatisation;
- ◆ in the specific context of credit liberalisation and the provision of micro-credit.

Section 4 of the manual focuses specifically on institutional and attitudinal barriers that stand in the way of mainstreaming gender in Ministries of Finance. Section 5 summarises the discussion by identifying three strategic areas for action, with specific action points grouped under each strategic area, as follows:

- 1 Develop a gendered macroeconomic framework of interactions for the overall economy with a particular focus on the role of the Finance Ministry:
 - ◆ develop an analytical matrix of two-way interactions between gender and the Finance Ministry's work;
 - ◆ carry out budget trade-off exercises and other processes to engender the national budget.
- 2 Incorporate a gender perspective into the Finance Ministry's plans, policies and programmes:
 - ◆ conduct a gender audit of the Finance Ministry's plans, policies and programmes;
 - ◆ support a National Reproduction and Social Development Policy;
 - ◆ adopt a comprehensive approach to supporting women's access to assets and incomes.
- 3 Address institutional and attitudinal barriers:
 - ◆ adopt a 'hands-on' approach to gender training;
 - ◆ establish institutional arrangements;
 - ◆ create incentives and disincentives for Finance Ministry officials and staff.

The effectiveness of all these steps depends in the end on the extent of political support that the process of engendering has from the highest levels of the Finance Ministry or from the Cabinet as a whole. Such support is essential to bring about the institutional and attitudinal changes that the process of mainstreaming gender requires.