

Analysis and Evaluation of Gender Budgeting and Settlement System of Local Governments(V) - Performance and Future Tasks

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Korean Women's Development Institute

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- Performance and Future Tasks**

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I . Overview of the study

1. Purpose and necessity

Gender budgeting is an important tool for gender mainstreaming which serves a purpose of integrating a gender perspective into all stages of the budgetary process. Gender budgeting was introduced in Korea, beginning with preparation of gender budget statements for the fiscal year 2010. Based on experience of the central government, preparation of gender budget statements became mandatory at a local government level from the fiscal year 2013. Since then, both central and local governments have been required to prepare gender budget statements.

Studies on gender budgeting have been continuously conducted along with its implementation. In the beginning, the focus of the studies was placed on the introduction and settlement of gender budgeting. The status and issues of the pilot projects and early-stage management of gender budgeting were examined to make improvement. After the system was

stabilized, the focus has shifted to find ways to achieve the intended functions and effects of the system.

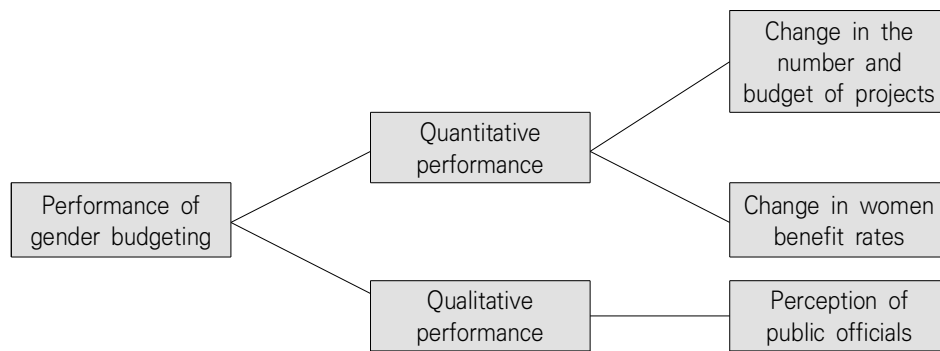
The Korean government, newly launched in 2017, presented ‘Strengthen the management system for gender equality policies’ as one of the most important government agenda. To that end, it is imperative to review the operational performance of gender budgeting and then to identify areas for improvement.

At a time when gender budgeting has passed its seventh-year implementation in Korea, efforts to grasp changes and impacts resulting from gender budgeting are meaningful in taking stock of implementation of the system, but also fundamental to bring about changes in the system. This study has been conducted to review the performance of implementation of local gender budgeting and, based on which, to present ways to improve the effectiveness of the system in the future.

2. Contents

In this study, the performance of gender budgeting is divided into quantitative and qualitative. Section II describes the implementation status of gender budgeting and conditions for budget formulation of local governments in Korea and the management of local gender budgeting in several foreign countries. The analysis of quantitative performance of implementation of local gender budgeting is addressed in Section III. Quantitative performance is numerically measured based a change in total output (e.g. the number or budget of projects) or a change in distribution within a formulated budget made after introduction of gender budgeting. The qualitative performance of gender budgeting is explained in Section IV. A perception survey of public officials responsible for preparation of gender budget statements in local governments was

performed in 2019 and the results were compared to those of a previous survey conducted in 2014 to identify changes in the perception of public officials. Lastly in Section V, ways for improvement in gender budgeting are presented after considering the results of the quantitative and qualitative analyses.



[Figure 1] Performance of gender budgeting

3. Methods

This study has been conducted mainly using two methods. Firstly a quantitative analysis was performed. To that end, a database was created using data in the local finance management system called e-hojo from 2013 and 2018. Secondly, a survey of public officials was conducted to measure changes in their perception as qualitative performance. The target of the survey was 1,500 public officials who prepared gender budget statements in local governments. The public officials tasked with budgeting were all surveyed and the public officials responsible for project management were sample surveyed. Besides, expert opinions were incorporated through expert advisory meetings into each step of the study including planning the survey, preparing questionnaires and analyzing quantitative performance.

II . Implementation status of gender budgeting of local governments

1. Features of local gender budgeting by year

Target projects for gender budget statements are selected mainly based on three criteria. The target projects for 2013 gender budget statements, the first of its kind in Korea, were largely divided into mandatory and recommended projects. From 2015 onwards, all gender impact assessment projects, regardless of whether they were mandatory or recommended, became subject to preparation of gender budget statements. From 2017 onwards, projects for the Basic Plan for Women Policies were changed into projects for the Basic Plan for Gender Equality Policies, as per the Basic Plan for Gender Quality Policies.

〈Table 1〉 History of criteria for target projects for gender budget statements of local government

2012 (Pilot projects)		2013		2014		2015	2017 onwards
Mandatory	Projects included in the Basic Plan for Women Policies ※ Projects for 3 rd Basic Plan for Women Policies ('08~'12)	Mandatory	Projects for the Basic Plan for Women Policies	Mandatory	Projects for the Basic Plan for Women Policies	Projects for the Basic Plan for Women Policies	Projects for the Basic Plan for Gender Equality Policies
	Gender Impact Analysis & Assessment Projects for recent three years ('09~'11)		Gender Impact Analysis & Assessment Projects (Government subsidy projects)		Gender Impact Analysis & Assessment Projects	Gender Impact Analysis & Assessment Projects	Gender Impact Analysis & Assessment Projects

2012 (Pilot projects)		2013		2014		2015	2017 onwards
	Projects selected by the minister of the Interior and Safety under consultation with the minister of Gender Equality and Family	Recommended	Gender Impact Analysis & Assessment Projects (Non-government subsidy projects)	Recommended	Projects separately implemented by local governments	Projects separately implemented by local governments	Projects separately implemented by local governments
Optional	Projects separately implemented by local governments		Projects separately implemented by local governments				

2. Conditions of local finance management

Based on a close look at recent fiscal conditions of local governments, it is expected that local tax revenue will grow at a slower rate while expenditure will expand due to increased spending, especially for welfare and job creation projects.

In a situation where spending expands through aggressive fiscal management, gender budget projects are required to take into account issues related to distribution and project quality in addition to project scope and quantitative expansion. Therefore, the quantitative and qualitative expansion of gender budgeting can work as an effective tool to help raise the performance of government fiscal management. Among target projects for gender budget statements, Support Project for Job Creation for Persons with Disabilities, Educational Program for Reemployment of Career-interrupted Women, and Project for Nurturing Women Farmers are exemplary job creation projects of local governments, and Support Project for Health of Mothers and New Born Babies, Project for Child Care, Projects for Attendance and Household

Affairs Support, and Project of Operating a Support Center for Healthy Family are exemplary social safety net projects. In addition, various local government projects related to construction and management of facilities are included in the target projects for gender budget statements and such projects are closely related to a safe and good environment for living.

3. Local gender budgeting of overseas countries

Many different countries have introduced and implemented gender budgeting at a local government level and managed the system in different manners depending on their situation. In some countries, gender budgeting have not been implemented at a local government level. In other countries, gender budgeting at a local government level is in operation in accordance with common standards prepared by the central government. In the other countries, the central and local governments have operated gender budgeting in their own way.

In this section, a brief look is taken at gender budgeting in Berlin, Germany; Andalusia, Spain; and Emilia-Romagna, Italy where local governments have implemented gender budgeting in their own way. Gender budget statements in Berlin, unlike those in Korea, are integrated into general budget statements. Gender budget statements in Andalusia are integrated into a gender impact assessment report which is submitted as a separate report. In terms of management, they have in common that gender-sensitive goals are set for each project and projects are analyzed from a gender-sensitive perspective.

III. Quantitative analysis of effects of gender budgeting

1. Change in the number and budget of local government projects with gender budget statements

The number and budget of target projects for gender budget statements is one of the key indicators to measure the quantitative expansion of gender budgeting. Since 2013 when gender budget statements were firstly prepared in Korea, the number and budget of projects with gender budget statements have been continuously increasing. The combined gender budget of local governments totaled about KRW 12.599 trillion for 11,803 projects in 2013. The figure has grown remarkably to about KRW 20.000 trillion for 17,010 projects in 2018. As such, projects of which a gender-sensitive analysis is performed has been continuously expanding every year, which implies that integration of a gender-sensitive perspective into the local fiscal system has been continuously expanding.

〈Table 3〉 Percentage of gender budget in total local budget by year

(Unit: KRW billion, %)

Fiscal year	2013	2014	2015	2016	2017	2018
Local budget (YOY change)	156,889	163,579 (4.3)	173,259 (5.9)	184,582 (6.5)	209,510 (13.5)	229,416 (9.5)
Gender budget (YOY change)	12,599	14,734 (16.9)	14,465 (△1.8)	15,336 (6.0)	16,663 (8.7)	20,555 (23.4)
Share	8.0	9.0	8.3	8.3	8.0	9.0

Despite such quantitative expansion, the percentage of gender budget in total local budget has stayed at 8 to 9%. In order to increase the percentage, it is needed to identify target projects aggressively in more various areas.

〈Table 4〉 Status of gender budget statements for target projects of local governments

(Unit: Number, KRW billion, (%))

Project type	2013 Gender Budget Statements		2016 Gender Budget Statements		2018 Gender Budget Statements	
	Number	Budget	Number	Budget	Number	Budget
Total	11,803 (100)	12,599 (100)	13,865 (100)	15,336 (100)	17,010 (100)	20,555 (100)
Projects for Gender Equality Policies	3,244 (27.5)	4,995 (39.6)	3,403 (24.5)	6,993 (45.6)	3,740 (22.0)	8,918 (43.4)
Projects for Gender Impact Analysis & Assessment	7,058 (59.8)	6,900 (54.8)	8,762 (63.2)	7,333 (47.8)	11,226 (66.0)	9,891 (48.1)
Projects separately implemented by local governments	1,501 (12.7)	704 (5.6)	1,700 (12.3)	1,009 (6.6)	2,044 (12.0)	1,746 (8.5)

Among the target projects of local governments, projects for gender impact analysis & assessment takes the largest share, which has been increasing every year. The increase is attributed mainly to the Act on Gender Impact Assessment and Joint Assessment of Local Governments. As the weight given to the number of projects for gender impact analysis & assessment decreases in the Joint Assessment of Local Governments, however, it is necessary to monitor whether the share of projects for gender impact analysis & assessment will continue to rise in the future.

Up to date, the target projects of local governments have been identified mainly in the social welfare area. In 2013, gender budget projects in the social welfare area accounted for 46.1% in terms of the number of projects and a surprising 79% in terms of budget. The figures went down to 37% and 71.3% respectively in 2018 because target projects were

identified in various areas. Nevertheless, more aggressive efforts should be made to identify target projects in areas such as environmental protection, industry & small & mid-size companies, and land & local development which are traditionally considered male-oriented.

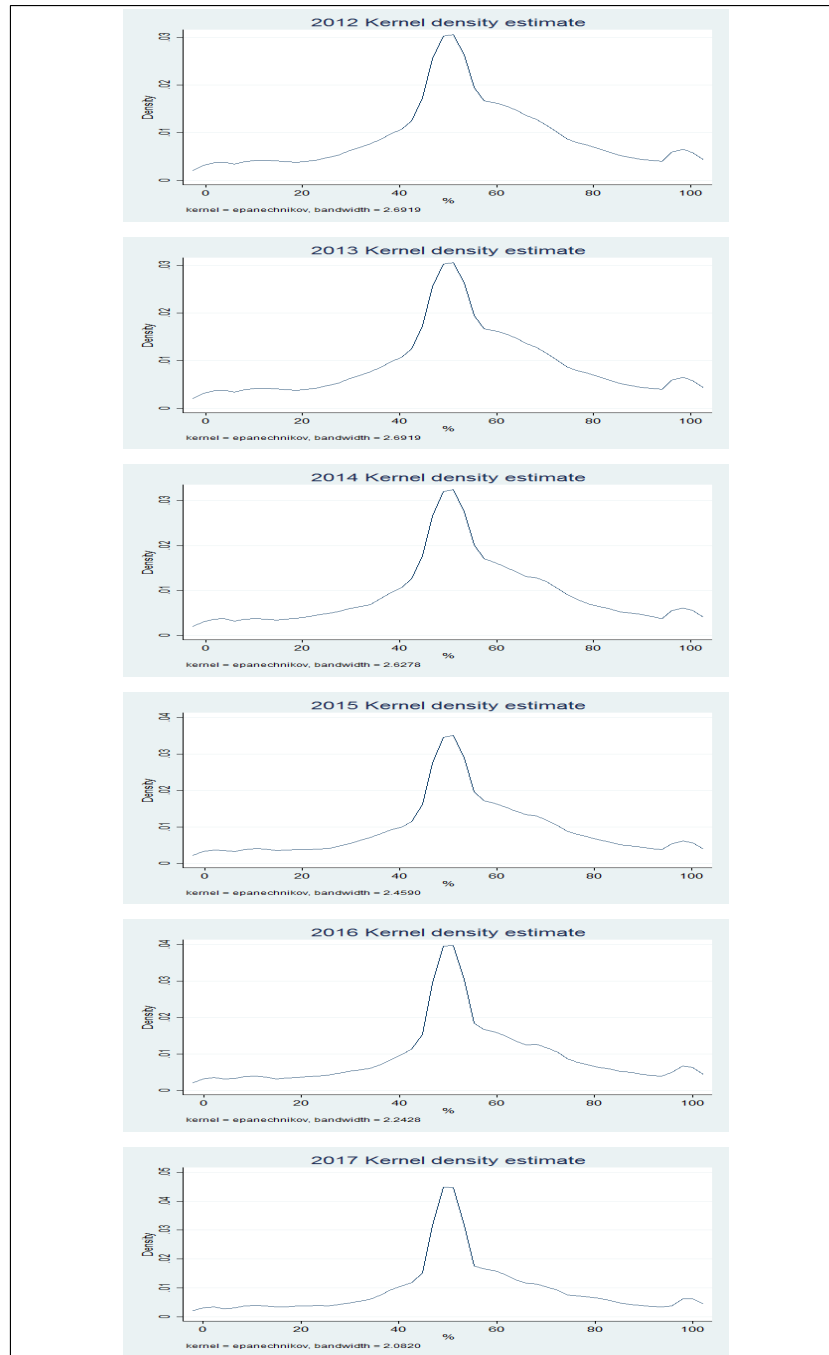
2. Effect analysis of gender benefits by project

Change in the number and budget of gender budget projects is to change in the total output of gender budgeting as change in gender benefit rates is to change in the distribution within the total output. Looking at the distribution of the women's benefit rate in the project unit(Figure 2), it can be observed that the area where the women benefit rates are very low or high decreases and converge to the 50% level.

The results of the effect analysis are summarized as follows: Women benefit rate is increasing slightly each year, and it was statistically significant that the women benefit rate in 2016 was higher than before 2014. Women benefit rates of target projects under special accounts/funds are lower than those under general accounts. On the other hand, the higher the proportion of women beneficiary is, the higher the proportion of self-financed budget in total budget is, the higher the women benefit rate is. When broken down into areas, it is revealed that, compared to general public administration, women benefit rates are higher in areas of education, culture & tourism and social welfare while lower in areas of public order & safety, environmental protection, agriculture, rural affairs & oceans, transportation & traffics and land & local development.

When taken all together, the performance of implementation of gender budgeting can be assessed as follows: If growth in the number and budget of gender budget projects is to quantitative expansion of gender budgeting,

the change in gender benefits can be viewed as a change in the budget allocation. Since introduction of gender budgeting, the scope of projects subject to a gender-sensitive analysis has expanded every year, which has led gender benefits of the projects to become more balanced. Such change is more significant in areas of education, culture & tourism and social welfare where women activities are more active. Meanwhile, the effects of the projects are relatively insignificant in areas of agriculture, rural affairs & oceans, industry & small- and mid-size companies, transportation & traffics, and land & local development, which are traditionally considered male-oriented. Therefore, it is important to identify gender budget projects continuously in such male-oriented areas in the future.



[Figure 2] Change in distribution of women benefit rates by year

〈Table 5〉 Results of OLS regression analysis of women benefit rates

		Estimate	P> t	95% confidence interval	
Upper-level local government		2.91	0.00	1.35	4.47
Year (base: 2012~2014)					
	2015	0.33	0.13	-0.10	0.76
	2016	0.47	0.02	0.07	0.87
	2017	0.24	0.24	-0.16	0.65
Accounting (base: General accounts)					
	Special accounts	-2.28	0.00	-3.84	-0.71
	Funds	-3.34	0.00	-5.04	-1.64
Projects separately implemented by local governments		-0.56	0.01	-0.99	-0.14
Women beneficiary		0.85	0.00	0.85	0.86
Gender budget		0.00	0.18	0.00	0.00
Self-financed budget		0.02	0.00	0.02	0.03
Area (base: General public administration)					
	Public order & safety	-9.97	0.00	-11.03	-8.91
	Education	10.41	0.00	9.55	11.27
	Culture & tourism	2.03	0.00	1.41	2.65
	Environmental protection	-3.05	0.00	-3.96	-2.13
	Social welfare	1.32	0.00	0.79	1.84
	Public health	-0.05	0.87	-0.66	0.56
	Agriculture, Rural Affairs, Oceans	-12.37	0.00	-12.98	-11.77
	Industry & small & mid-size companies	-3.06	0.00	-4.07	-2.04
	Transportation & traffics	-3.39	0.00	-4.31	-2.46
	Land & local development	-4.35	0.00	-5.17	-3.53
	Science & technology	-1.98	0.66	-10.73	6.77
Coefficient		10.26	0.00	9.49	11.03

IV. Change in the perception of public officials responsible for gender budgeting of local governments

1. Overview of the survey

Numerical expansion of gender budget projects and change in their gender benefit rates are to quantitative performance of gender budgeting as change in perception of local government officials is to qualitative performance of gender budgeting. This survey was performed to measure public officials' perception of gender budgeting and the survey results were compared to those of a prior survey in 2014 with an aim to understand changes in the perception of public officials.

The target of this survey was about 1,500 public officials of local governments who had experience in preparation of gender budget statements. Public officials responsible for budgeting in local governments were all surveyed and public officials responsible for project management were sample surveyed.

〈Table 6〉 Overview of the survey

Classification	Description
Target	<ul style="list-style-type: none"> • Budget officers responsible for gender budget statements • Public officials tasked with project management and experience in preparation of gender budget statements
Sampling	<ul style="list-style-type: none"> • Budget officers: 100% (about 250 persons) • Project managers: Sampling (about 1,250 persons)
Method	<ul style="list-style-type: none"> • Online web survey ※ combined with encouragement of survey response via phone and email

The structure and questions of the questionnaires are shown in the below table.

〈Table 7〉 Structure and questions of the questionnaires

Classification	Questions	
	Budget officers	Project manager
Experience in preparation of a gender budget statement	<ul style="list-style-type: none"> • Level of difficulty in preparation of each item of a gender budget statement • Difficult parts of preparation of a gender budget statement • Understanding of a gender budget statement • Process of and difficult matters regarding selection of target projects 	<ul style="list-style-type: none"> • Project areas for preparation of a gender budget statement • Difficult parts of preparation of a gender budget statement • Adequacy of selection of target projects • Change in perception of budget and projects after preparation of a gender budget statement
Training and consulting on gender budgeting	<ul style="list-style-type: none"> • Experience and level of satisfaction of training on gender budgeting • Experience and level of satisfaction of consulting on preparation of a gender budget statement 	<ul style="list-style-type: none"> • Experience and level of satisfaction of training on gender budgeting • Experience and level of satisfaction of consulting on preparation of a gender budget statement
Perception related to gender budgeting	<ul style="list-style-type: none"> • Necessity and understanding of gender budgeting • Perception of gender budget and gender equality • Level of interest in gender budgeting 	<ul style="list-style-type: none"> • Perception of gender budget and gender equality • Challenges for development of gender budgeting • Level of interest in gender budgeting
Utilization of gender budget statements	<ul style="list-style-type: none"> • Whether to disclose gender budget statements • Whether to use gender budget statements during the budget cycle • Use and accountability of gender budget statements 	<ul style="list-style-type: none"> • Whether to disclose gender budget statements • Whether to use gender budget statements during the budget cycle • Use and accountability of gender budget statements
Matters regarding demographic data	<ul style="list-style-type: none"> • Gender, age • Experience in women policy and gender impact assessment • Association and career level • Work experience 	<ul style="list-style-type: none"> • Gender, age • Experience in women policy and gender impact assessment • Association and career level • Work experience
Others	<ul style="list-style-type: none"> • List of public officials responsible for projects with gender budget statements 	–

2. Results of the survey

It is revealed that the perception of public officials doesn't show much progress from 2014 despite the passage of five years.

The level of understanding of the budget officers of upper-level local governments appears to be higher than that of the budget officers of lower-level local government. It is however shown that experiences of training and consulting on gender budgeting are lower compared to 2014. One of the most difficult parts of gender budgeting that the budget officers feel is selection of target projects. Ambiguity in the selection criteria for target projects is pointed out by many budget officers and it's because of the way that local governments select target projects. Currently, local governments select a significant number of target projects as gender impact assessment projects, and exclude them from the list of gender budget projects when they are delisted from gender impact assessment projects after two to three year preparation of gender impact assessment report. If projects are excluded from the list of gender budget projects in such short period of time, they are likely to be replaced with newly but hastily identified projects in order to maintain the number of target projects, which can lead to complaints about selection of target projects.

It is also hard to tell that the perception of public officials responsible for project management has improved compared to 2014. It is found that the adequacy of selection of target projects is one of the most difficult parts that the public officials feel and their experience in consulting on gender budgeting has decreased significantly. It seems to be attributable to lack of budget and manpower of local gender impact assessment centers which provide consulting to local governments. Therefore, it is

judged to be necessary to provide budget support to local gender impact assessment centers to enable gender budget consulting to be provided even to lower-level local governments.

Lastly, it is identified that gender budget statements prepared have not been well utilized other than when gender-sensitive settlement of accounts are prepared in connection with gender budget statements. However, it is turned out that the project managers are more accountable than the budget officers, which probably results from the responsibility of preparation of gender-sensitive settlement of accounts. The budget officers have no responsibility of gender-sensitive settlement of accounts whereas the project managers should assess the achievement status of performance objectives set in the gender budget statements when preparing gender-sensitive settlement of accounts. Moreover, gender budget statements are rarely utilized in budget formulation or as a tool for performance management. In order to promote the use of gender budget statements, however, it appears to be necessary to discuss ways to increase budget or provide incentives, given the fact that the budget officers raised the necessity of budget increase and the project managers mentioned the necessity of incentives for preparation of gender budget statements.

V. Conclusion: Policy Recommendations

1. Summary

In order to understand the performance of gender budgeting, it is important to define what the performance of gender budgeting is. In this study, it is divided into quantitative and qualitative performances. The quantitative performance can be measured numerically such as change in total budget or the number of gender budget projects, or budget distribution resulting from implementation of gender budgeting. The qualitative performance is defined as public officials' perception of gender budgeting. The change in the perception has been measured through a perception survey of concerned public officials.

Based on the results of the quantitative analysis, the quantitative performance of gender budgeting can be evaluated as follows: It is confirmed that the number and budget of gender budget projects have continuously grown along with changes in gender benefits of individual projects. Growth in the number and budget of gender budget projects is to quantitative expansion as changes in gender benefits is to changes in distribution within the formulated budget. In other words, the implementation of gender budgeting has expanded the scope of projects subject to a gender-sensitive analysis every year, which has led gender benefits of the projects to be continuously changed in a more balanced way. In particular, such change is more outstanding in areas of education, culture & tourism, and social welfare where women are relatively more active whereas it is less distinguished in such traditionally male-oriented areas as agriculture, rural affairs, & oceans, industry & small-and mid-size companies, transportation & traffics, and land & local development.

Therefore, it is important to identify gender budget projects in such male-oriented areas continuously.

When looking at the results of the perception survey of public officials, it is hard to say that their perception of gender budgeting has improved compared to 2014. Mainly, three issues are revealed by the survey, which are summarized as follows: Firstly, it is about selection of target projects. The respondents pointed out ambiguity in selection criteria for gender budget projects. It seems to be because gender budget projects become excluded every two to three years as their performance is not managed through continuous preparation of gender budget statements, which prompt many projects to be newly developed every year, resulting in ending up with unreasonable projects. The second issue is related to training and consulting. It is shown that training and consulting experience decreased compared to 2014, which is probably because public officials, by force of habit, prepare gender budget statements based on existing data, with the passage of time after its introduction. In particular, the percentage of the respondents from lower-level local governments who have consulting experience is very low only at 37% to 38%, because training and consulting are mainly provided in upper-level local governments. The third issue has something to do with utilization of and accountability for gender budget statements prepared. It is appeared that gender budget statements prepared have not been used, for example as a document for budget increase, other than when gender-sensitive settlement of accounts are prepared. It is responded that it is necessary to increase the budget for gender budget projects (budget officers) and to provide incentives to public officials who prepare gender budget statements (project manager) to promote gender budgeting.

2. Policy recommendations

Based on the results of this study, recommendations on operation of gender budgeting of local governments are made as follows:

Firstly, it is recommended to identify target projects for gender budget statements in various areas. The area expansion of the target projects means integration of a gender-sensitive perspective into Korean fiscal projects across the board. To make it happen, it is necessary to set gender equality goals at a local level and then identify target projects suitable for the gender equality goals. It is also worth to consider to select target projects based on predefined checklists. It will enable local governments to define clear selection criteria and to select target projects in various areas in accordance with the defined criteria.

Secondly, it is imperative to strengthen the performance management of target projects to improve the effectiveness of gender budgeting. The target projects for gender budget statements should be subject to performance management to improve the gender benefit gap and gender inequality. Thus, it is essential to prepare gender budget statements continuously for a long period of time in order to achieve substantial goals through performance management. If the preparation of gender budget statements discontinues in two to three years, motives for performance management of target projects will be reduced, which will likely prompt unreasonable projects to be included in order to maintain the number of target projects. For that reason, it is important to prepare gender budget statements on a long-term, continuous basis so that the performance of target projects should be thoroughly managed and gender-sensitive statistics should be accumulated.

Thirdly, it is imperative to expand training and consulting to improve

the perception of public officials. Local governments should formulate a budget for local gender impact assessment centers to provide consulting and training (including one for local council members) and to nurture manpower.

Fourthly, it is worth to consider ways to integrate gender budget statements into the performance plan of a local government in order to strengthen the performance management of gender budget statements and apply a gender-sensitive perspective to every budget of local governments. In the performance plan, the performance of policy projects is managed based on pre-defined performance indicators. If gender budget statements are included in the performance plan, performance objectives and indicators should be set for each policy project and due to the large size of their budget, their performance can be managed based on outcome indicators. It will also enables local governments to include gender equality issues and directions for formulating gender equality-related budget into the directions for their fiscal management, which will permit a gender analysis to be performed of all budgets of a local government. Since it requires a significant change in the current frame of gender budgeting including complete revision of related laws, however, it will not happen during a short period of time and without in-depth discussion with those involved in gender budgeting.



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