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Linking Gender Budgeting with the National Fiscal Management Plan in Korea(II)

Sun-Joo Cho, Young-Sook Kim, Soo-Bum Park ,Hyo-Joo Kim,
Min-Jung Sung, Do-Yeon Kwon, Byeongkwon Kim,
Haeram Kim, Ju-Hee An, Su-Ji Kim



Korean Women's Development Institute

**Linking Gender Budgeting with the National
Fiscal Management Plan in Korea(II)**



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Korean Women's Development Institute

225 Jinheung-ro Eunpyeong-gu

Seoul, 03367, Republic of Korea

www.kwdi.re.kr

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I . Introduction

Research Objective

The discussion of gender budgeting has been centered on the ‘gender budget statement,’ which is a legal document, and has been limited to single-year budget analyses focusing on government tasks. Analyses centered on tasks are limited because the focus is on the gender analysis of program beneficiaries (Kim Young-ok et al., 2010, p.6), and cannot influence the implementation of a stable and predictable fiscal policy because a mid-term fiscal management strategy and direction of resource allocation is not presented.

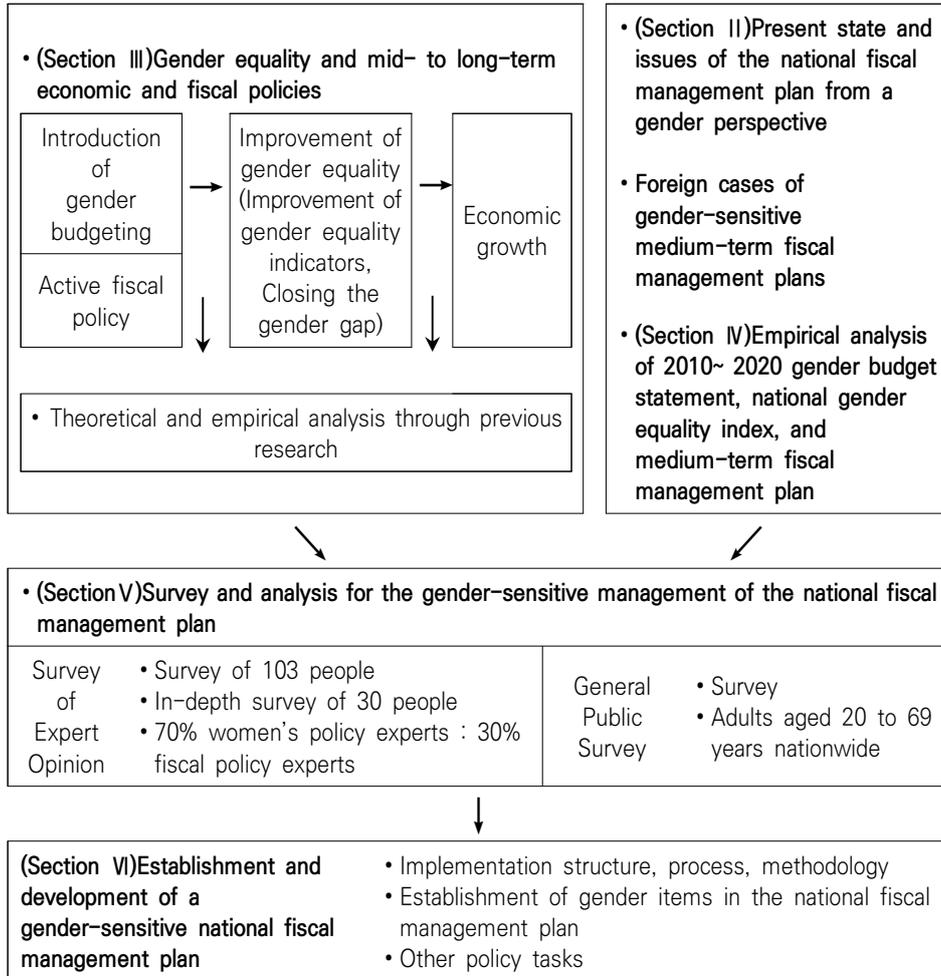
The budget statement is prepared every year, which includes the fiscal investment plan for projects that year, and is legally binding in that it is subject to the deliberation of the National Assembly (Cho Sun-Joo et al., 2019, p.3). However, since the gender budget statement does not include a fiscal investment plan for the projects that year, it cannot have any binding power in terms of execution as it does not show how a gender perspective will be incorporated in the annual budget (Cho Sun-Joo et al., 2019, pp.3-4).

For the long-term development of gender budgeting, in terms of the budget structure, the national fiscal plan must be established in a gender-sensitive manner, in addition to the current consideration of gender when preparing the budget for tasks for the fiscal year. Through this change, it should be able to have an important influence on the priorities of resource allocation by ministry and project.

There is an urgent need for a fiscal policy direction to be established in the national fiscal management plan in order to solve serious gender inequality problems in socio-economic areas such as growth, jobs, distribution, and low fertility, but it is not explicitly included. The OECD also states that many high-level goals of government, including gender equality goals, can only be achieved over a multi-year period, and that policies and resources to achieve these goals should be part of the medium-term expenditure framework. Furthermore, gender equality should be reflected in the process that closely aligns budgets with medium-term strategic priorities (Downes et al., 2017, p.26).

Therefore, an objective of this study is to accumulate evidence that integrating a gender equality perspective in the fiscal management process makes fiscal management and resource allocation more effective and efficient. Another is to create a plan to align gender budgeting and the national fiscal management plan so that the government can effectively utilize limited financial resources to promote gender equality.

□ Research Findings



II . Present State of the National Fiscal Management Plan from a Gender Perspective

- Present state and issues of the national fiscal management plan from a gender perspective

[Implementation structure and process]

Present State	Time	Issues from a gender perspective
Distribution of guidelines for the national fiscal management plan	December -January (Year n-1)	The Ministry of Economy and Finance has not yet included guidelines for establishing <u>a national financial management plan that implements gender perspectives (major gender equality policy directions and fiscal investment plans)</u> in the guidelines for the five-year national financial management plan drawn up in year n-1.
Submission of medium-term project plan by ministry	January 31 st (Year n)	Each ministry <u>does not prepare a medium-term project plan for gender equality issues (major gender equality policy directions and fiscal investment plans).</u>
Preparation of a five-year(year n~n+5) national fiscal management plan draft Preparation of gender budgeting guidelines	February	There is a <u>lack of participation of gender equality and gender budgeting experts</u> in working groups made up of experts in government, research institutes, academia, and the private sector.
	March	<u>Guidelines for gender budgeting (year n+1) based on the mid-term project plan submitted by each ministry(year n) have not been created</u>
Approval of national fiscal management plan(draft) and finalization of expenditure ceilings by ministry	Late April, Late March	<u>Opinions on gender equality-related investment direction are not considered</u> in the discussion of a sustainable fiscal management strategy, investment direction by field at the <u>national financial strategy meeting</u> (chaired by the president with all State Council members present).
Preparation of five-year(year n~n+5) national fiscal management plan report	June-Late August	Information on the <u>direction of gender-related investment and other issues</u> is not included in the five-year(year n~n+5) national fiscal management plan report.

Present State	Time	Issues from a gender perspective
Finalization of five-year (year n~n+5) national fiscal management plan, budget proposal and fund management plan for the following year, Submission to the National Assembly	September 1 st	A <u>five-year(year n~n+5) gender-sensitive national fiscal management plan</u> should be submitted to the National Assembly, along with the <u>gender budget statement for year n+1</u> ; however there currently is <u>no gender-sensitive national fiscal management plan</u> .

*Source: Ministry of Economy and Finance(2019. p.1)

[Composition and content]

In the budget proposal and mid-term plan prepared by the government, a rather basic plan is mentioned, which is ‘improving fiscal efficiency through expenditure restructuring.’ On the other hand, while the aging of the population is progressing rapidly and polarization is on the rise, there is no specific discussion on the content, speed, or method of maximizing the effectiveness of fiscal spending (Kim Hyun-ah, 2019, pp.70-71). In particular, when this is actually implemented in the formulation of the budget, gender characteristics or a gender-sensitive perspective on the issue are not taken into account.

In this study, 2 sectors out of 12 sectors¹⁾ were selected and their fiscal investment plan was considered from a gender-sensitive viewpoint. The present state and issues of gender equality in the fields of health, welfare, and employment are as follows.

1) 12 sectors: health·welfare·employment, R&D, agriculture·forestry·fisheries·food, foreign affairs·unification, education, industry·SME·energy, environment, public order·safety, culture·sports·tourism, SOC, national defense, general/local administration

• Task: Low fertility

- As a result of the analysis of the budget proposal for 2020, the growth rate of the project budget for low fertility was lower than the overall average, indicating that the revised Basic Plan for Low Fertility and Aging Society, which was amended to improve gender equality, was not supported by the budget.

〈Table〉 Growth rate of low fertility budget

Area	Low fertility			Overall performance management projects		
	'19 budget (million won)	'20 budget (million won)	Growth rate of budget(%)	'19 budget (billion won)	'20 budget (billion won)	Growth rate of budget(%)
Childcare and care support project	8,889,210	9,077,147	2.11%	805,426	918,181	14.00%
Work·family balance support project	12,173,569	12,423,870	4.50%	265,218	299,665	13.00%
Project to improve gender discrimination in the labor market	71,156	73,038	2.64%	265,218	299,665	13.00%

*Comment: Ministry of Health and Welfare, Ministry of Education, Ministry of Gender Equality and Family(94 performance indicators)

**Source: Young-sook Kim et al.(2019)

- In the case of childcare support projects, it is necessary to appropriately reflect the need for work–family balance, whereas in the case of care support projects after the age of 5, an increase in budget and efficient project operation and direction are required.
- In the case of childcare support projects, the budget available to single–income and dual–income parents was found at a similar rate, while the budget for care support projects after the age of 5 is only about 7% of childcare support projects.
- For the effective execution of the work–life balance support budget, it is necessary to expand the target of support (SMEs and non–regular workers) and raise salary levels (increase the income replacement ratio).
- In this area, the execution rate and performance goal achievement rate were the lowest due to the decrease in the number of births and the number of people on parental leave due to the low birth rate.
- The recommendations above should be reflected in the 4th Basic Plan for Low Fertility and Aging Society and linked to the establishment of the direction for mid–term fiscal investments.

The present state of issues related to gender equality in the public order and safety field are as follows.

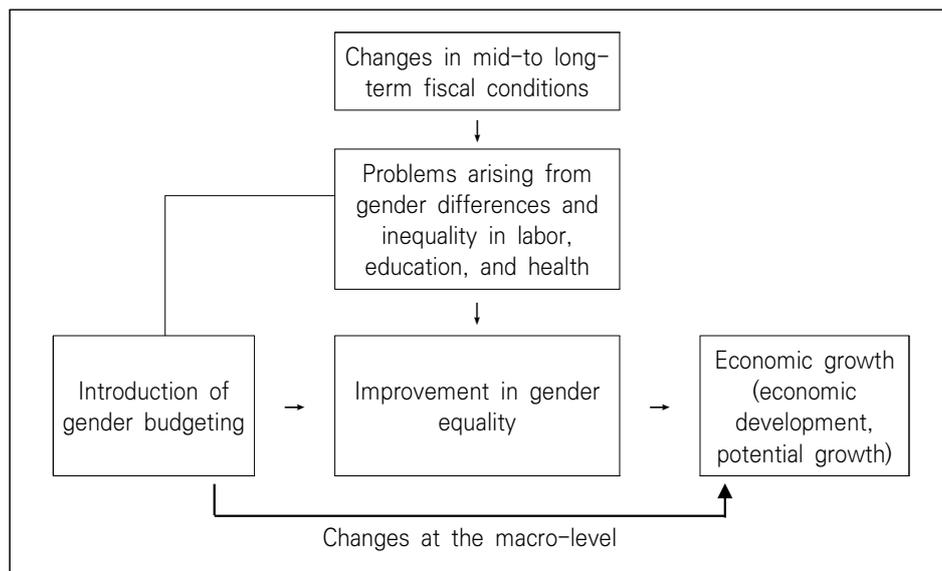
• Task: Violence against women

- It is stated that a variety of medical and economic support is provided to suffering crime victims, in the form of crime damage relief funds, medical expenses, emergency living expenses, and nursing expenses, and that psychological healing, counseling, and legal assistance is provided through facilities such as Smile Centers, Sunflower Centers(integrated support centers for victims of sexual violence), and child protection agencies; however the focus is mostly on providing support to victims of sexual violence.
 - The problem is that funds are invested with a concentration on gender violence policy framework centered on sexual violence, victims without perpetrators, policy frame centered on criminal procedures, invisibility of unrecognized damage, focus on protection and support without changing gender relations, and prevention policies that minimize the temporal and interpersonal risks of harm.
- Nevertheless, the budget for gender violence prevention and support projects in '20 was 235,495 million won, 0.04% of the total expenditure of the 2020 budget and funds. Although gender equality education and awareness promotion is closely related to the prevention of gender violence, sufficient funds have not been allocated towards it or have been reduced from the year before. In particular, the budget for supporting victims of sexual violence decreased from 33,771 million won in 2015 to 31,345 million won in 2019.
- Therefore, the direction of fiscal investment should be set in the following direction. Active budget formulation for gender equality projects (gender violence prevention and support projects) is needed. Since the budget for gender violence prevention and support projects is 0.04% of the total budget, only a very low level of budget is allocated to improvement in awareness such as education.
- The support project for victims of sexual violence, which is part of the Ministry of Justice's Victim Protection Fund, should be included as a general budget project of the Ministry of Gender Equality and Family. Furthermore, the direction of mid-term fiscal investment should be set so that public consensus and acceptance by the public is enhanced by Ministry of Gender Equality and Family operating as a pan-government control tower to respond to violence against women.

III. Gender Equality and Mid-to-Long Term Economic and Fiscal Policy

□ Significance

Rather than having a direct impact on economic growth, it is more appropriate to view the introduction of the gender budgeting as **improving gender equality**, which in turn has an **indirect effect on the growth potential of the economy**.



* Organized based on Sun-Joo Cho et al.(2015, p.12)

[Figure 1] Changes at the macro-level following the introduction of gender budgeting

□ Gender Budgeting and Gender Equality

Few studies have been conducted investigating the effect of gender budgeting on gender equality. Gender budgeting is more likely to **take effect slowly over the long term** rather than immediately, because each

country has introduced gender budgeting in different forms and economic situations are different.

According to some existing studies (L. Chakraborty et al., 2019; J. Stotsky and A. Zaman, 2016), **gender budgeting has a positive effect on the level of gender equality** measured by GDI and GII, and **positively affects gender equality** in terms of school enrollment rates and economic activity. A study on OECD and non-OECD countries (Cho Sun-Joo et al., 2015) also found that **countries that introduced gender budgeting showed a greater improvement in gender equality than countries that did not.**

□ Gender Equality and Economic Growth

	Content
Gender equality and economic growth	<ul style="list-style-type: none"> • Studies have been conducted by various scholars on the relationship between gender equality and economic growth. • A number of studies have found that improvement in the level of gender equality has a positive effect on economic growth. • In various related empirical studies, it is estimated that equality in education and the use of the female workforce have a positive effect on economic growth.
Fiscal policies that affect gender equality	<ul style="list-style-type: none"> • A number of studies have demonstrated that the improvement of gender equality has a positive effect on economic growth, both theoretically and empirically. Gender budgeting is a fiscal policy with the objective of allocating resources while considering gender equality, and these studies suggest that economic efficiency and national competitiveness can be improved if gender budgeting is fully implemented. • In addition, recent studies empirically analyzing the improvement of gender equality through resource allocation or fiscal policy show the importance of economic policies for improving gender equality.

Gender budgeting is a system for **prioritizing the reallocation and distribution of national resources for gender equality.** Therefore, the **alignment of the mid- to long-term national fiscal management plan and gender budgeting is an important policy task that can enhance gender**

equality and positively affect economic growth through efficient resource allocation in the long term.

- A case of a gender-sensitive medium-term fiscal management plan

Sweden is the only country that has implemented both gender budgeting and a gender-sensitive medium-term fiscal framework.

	Explanation
Brief history	<ul style="list-style-type: none"> • A medium-term fiscal framework has been applied to all aspects of budget preparation in Sweden since 1997. • Sweden's medium-term fiscal framework affects almost every aspect of budget preparation and includes a three-year forecast for all matters relating to macroeconomic development, central government revenues and expenditures, and public finances.
Implementation structure and budget preparation timetable	<ul style="list-style-type: none"> • Sweden's medium-term fiscal framework has a three-year horizon and is revised annually. It is included in the "Spring Fiscal Policy Bill" and is subject to deliberation and resolution by the parliament. Although not legally binding, it operates as a binding constraint on budgeting. <div style="border: 1px solid black; padding: 5px;"> <p>[Year N-1] January February: Analyses submitted by each ministry March: Calculation, Analysis April: Submission of Spring Fiscal Policy Bill(medium-term fiscal plan) May: The Swedish Parliament decides on the Spring Fiscal Policy Bill(medium-term fiscal plan) June: Preparation of budget framework July August: Government budget discussions(large scale meeting held at the Harpsund(Prime Minister's country residence)) September: Budget request October November: Swedish Parliament's decision of budget framework December: Swedish Parliament compiles the finalized central government budget</p> </div>

	Explanation
	<p>[Year N] January~March April: Spring budget May: Parliament's decision on spring budget June~August September: Autumn budget December: Parliament's decision on autumn budget</p> <p>[Year N + 1 Year] January February: Each ministry's yearly accounting report March: Swedish National Audit Office's audit report April: Central government annual report</p>
<p>Main content and characteristics of the gender-sensitive medium-term fiscal framework</p>	<ul style="list-style-type: none"> • The Swedish government prepares two main budget documents each year: the Spring Fiscal Policy Bill(medium-term fiscal framework), which is submitted to Parliament on April 15, and the budget bill, which is submitted to Parliament on September 20. • The Spring Fiscal Policy Bill presents the government's evaluation of macroeconomic policies and development of public finance, and outlines the mid-to long-term fiscal and budgetary policies. This can be seen in the form of a pre-budget statement. The budget bill sets spending limits for the current year, apportionment of expenditures to areas of appropriation, and expenditures for the following fiscal year (with detailed descriptions of program and institution goals and expected outcomes), and estimated budgets two to three years into the future. • Sweden's medium-term fiscal framework(Spring Fiscal Policy Bill) includes an expenditure plan for gender equality. Also, when establishing the expenditure plan, the situation and economic issues of the year are taken into account. • Among 27 expenditure areas, one that is related to gender equality is '13. Allocation of resources for gender equality policy and policy for newly arrived immigrants.

IV. Relationship between the Implementation of Gender Budgeting and the National Fiscal Management Plan for Fiscal Years 2010-2020: An Empirical Analysis

- Changes in preparation of gender budget statement by national fiscal sector

Among direct-purpose projects (projects targeting women, gender equality projects, and direct-purpose projects²⁾), the field where the number of projects for which gender budget statements are being prepared has continuously increased from 2018 to 2020 is **public order and safety**. Also, in **unification diplomacy**, gender budget statements were prepared for the first time in 2014 and has shown an increasing trend up to 2020. The **social welfare sector** increased until 2016 and decreased slightly from 2017, which is most probably due to the difference in types of projects promoted under the Women's Policy Basic Plan and the Master Plan for Gender Equality Policy.

Among indirect purpose projects, the number of projects in which gender budget statements are being prepared in science & technology, social welfare, industry·SMEs·energy has increased up to 2018.

Although the gender budget for direct purpose projects fluctuates slightly from year to year, the overall budget in all areas are showing an increasing trend. The field in which the budget each year is continuously increasing is **public order and safety**. In the case of **social welfare**, it increased 11 times in 2020 compared to 2010.

2) Direct-purpose projects, refer to projects under the Women's Policy Basic Plan for 2011-2015, the Master Plan for Gender Equality Policy for 2016-2018, and direct-purpose projects after 2019.

- Change in preparation of gender budget statement by gender equality index field³⁾

Among direct-purpose projects and indirect-purpose projects, in the field of gender equality index, gender budget statement preparation was most active(in terms of number of projects) in **‘economic activities and educational vocational training.’**

Since 2019, the number of projects by field has significantly decreased as a whole, as the selection criteria for target projects have changed to ‘direct purpose’ and ‘indirect purpose’ projects, which led to a decrease in target projects.

Looking at the trends in the gender budget for each gender equality index of direct-purpose projects, the gender budget for **‘welfare and health,’ ‘economic activity and education & vocational training,’** and **‘family’** until 2016 show a significant increase.

After 2018, as the selection criteria for target projects changed in 2019, the gender budget in some fields decreased.

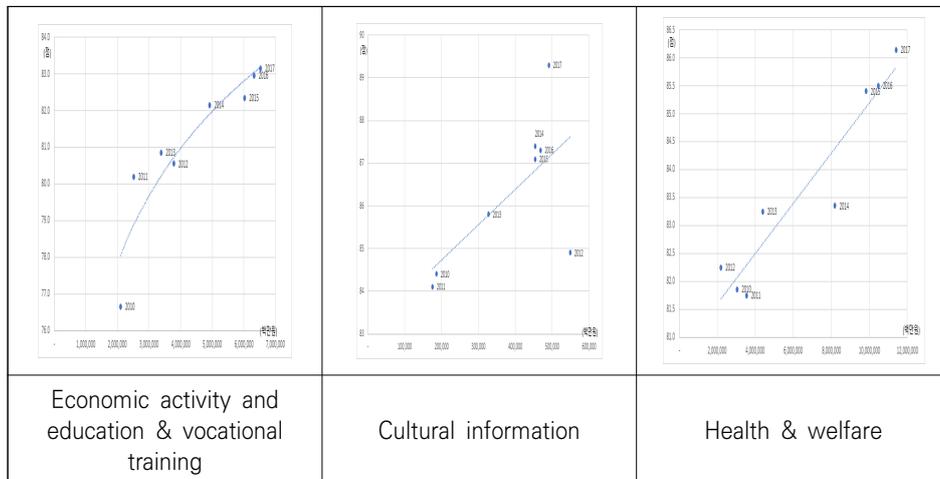
- Relationship between preparation of gender budget statement by national fiscal sector and gender equality index

A scatter plot showing the relationship between the gender equality index and gender budget by each gender equality index field was prepared and a correlation analysis conducted.

Looking at the relationship between the gender budget for each field and the gender equality index, there has been a continuous rise in the

3) Conducted an analysis after identifying where the projects that incorporated gender budget statements belong to, among the eight fields of the gender equality index (economic activity and education and vocational training, cultural information, health and safety, welfare and family, gender mainstreaming, decision-making)

gender budget as well as an increase in the gender equality index in the fields of **economic activity, education & vocational training, welfare & health, and cultural information** (which are statistically significant at the significance level of 99% out of 8 fields).



There is a **positive relationship between the gender budget and gender equality index**. However, since it is difficult to confirm a causal relationship between the two factors, we cannot conclude that the increase in gender budget led to the rise in gender equality index.

Nevertheless, despite these limitations, these **results show that the gender budget has had a positive indirect effect on gender equality**. In the future, it is necessary to conduct a causal analysis with a more precise model.

V. Survey Analysis for Gender-Sensitive Management of the National Fiscal Management Plan

[Expert Survey]

- Research design and methodology

	Expert survey(I)	Expert survey(II)
Survey target	Budget & finance, women's policy expert	Budget & finance, women's policy expert
Valid sample	103 people (Women's policy and finance experts, 7:3 ratio)	30 people
Methodology	Online survey	In-depth survey in written format
Sampling method	Random survey by field	Random survey by field
Survey content	Policy introduction proposal, setting priorities for policy alternatives in the fiscal management process, and evaluation criteria for policy realization	Identification of demand for government spending, the degree of understanding and agreement on gender equality-related government spending, and the role of government and other considerations

- Analysis of Survey Results⁴⁾

- 1) Analysis of the results of expert survey(I)(AHP analysis)

- Policy proposal

Policy proposal	Importance	Priority
<1st proposal> Incorporating a gender perspective for each area of the national fiscal management plan -Add gender equality issues to "focus on policy direction and investment of funds," which has to be described for all 12 sectors	0.683	1

4) Analysis of source data in Korean Women's Development Institute(2020a)

Policy proposal	Importance	Priority
(2nd proposal) Introducing gender equality as the 13th sector of the national fiscal management plan -Integrate women's and gender equality-related budgets in each sector, such as SOC and R&D, examine trends, and establish a resource allocation plan for women-related budget projects according to the socially agreed priorities of gender equality issues.	0.317	2

○ Policy implementation priority

Higher level policy structure	Lower level policy structure	Importance	Priority
Reflect demand for realization of social values (gender equality)	Reinforce legal basis of a gender-sensitive fiscal management method from a medium-to long-term perspective	0.185	3
	When setting policy priorities, give high priority to gender equality-related fields and secure budget	0.172	4
Role of supplementing the guidelines for gender budgeting centered on a single year	During the budget formulation process of the Ministry of Strategy and Finance, set priorities for each sector and strengthen the use of results of performance indicators, and formulate the budget accordingly.	0.106	6
Strengthen stability and reliability of planning	Materialize the establishment of a gender-sensitive national fiscal management plan, and enhance reliability	0.191	2
Review strengthening of binding force and expanding autonomy of ministries in the implementation process	By applying a gender-sensitive perspective starting with the mid-term project plan, the autonomy and responsibility of project managers in each department are strengthened	0.126	5
Improve fiscal predictability by allocating budgets by sector and establishing spending plans	Based on the submission of each ministry's mid-term project plan for the gender equality budget, policy directions for each sector are established and predictions can be made for fiscal management.	0.221	1

○ Evaluation criteria for policy realization

Higher level policy structure	Lower level policy structure	Importance	Priority
Feasibility	Political issues(issues between ministries)	0.132	4
	Legal issues	0.104	5
	Administrative issues(issues between agencies and people in charge)	0.092	6
	Financial issues	0.141	2
Effectiveness	Increase in gender equality budget	0.136	3
	Effectiveness of budget allocation(gender equality)	0.172	1

2) Analysis of results of expert survey(II)(in-depth survey in written form)

○ Demand for government spending and budget input, distribution related to gender equality

	Results
Priority for government fiscal expenditure	• Both for Before and after COVID-19, 'health·welfare·employment' sector
Sectors where budget expenditures related to gender equality are required ⁵⁾	• Women experts: health·welfare·employment 69.2%, R&D, environment 23.1% • Finance experts: health·welfare·employment 47.1%, culture·sports·tourism 11.8%
Actionable Methods for Gender Equality Budgeting ⁶⁾	• Women policy experts: Creation of new gender budgeting law 38.5%, Separate deliberation by the Ministry of Economy and Finance 38.5% • Fiscal policy experts: Separate deliberation by the Ministry of Economy and Finance 64.7%, Creation of new gender budgeting law 23.5%

5) Although the survey questions were open-ended, percentage was calculated by categorizing to assess the importance of responses.
6) Although the survey questions were open-ended, percentage was calculated by categorizing to assess the importance of responses

○ Comprehension and level of agreement of government expenditure related to gender equality

	Positive	Negative
Women policy experts	<ul style="list-style-type: none"> • Government expenditures related to gender equality contribute to the spread of awareness of gender equality and fair distribution of financial resources 	<ul style="list-style-type: none"> • The scope of gender equality-related expenditures is unclear and there are many perfunctory expenditures. • The lack of gender equality and gender-sensitive perspectives makes it difficult to achieve goals
Fiscal policy experts	<ul style="list-style-type: none"> • Government spending related to gender equality strengthens the transparency and accountability of government policies and contributes to an equitable distribution of resources • In the analysis of gender equality effect after budget execution, it is possible to link beneficiaries and budget allocation according to gender, and through various processes, some goals of expanding gender equality can be achieved. 	<ul style="list-style-type: none"> • Gender equality spending is distributed in a perfunctory manner • Lack of gender-sensitive perspectives of policy makers, and limited government resources means there is a low probability that government spending on gender equality is sustainable

○ Role of government and other considerations

Regarding changes in the level of gender equality-related services (gender equality-related policies) in the future, both women policy experts and fiscal policy experts agreed that the level of **gender equality-related services**(gender equality-related policies) **should be expanded and strengthened**. Furthermore, there were many who voiced their opinions that **the role of the government should be expanded not only for the sake of a gender-equal welfare state**, but also during **social and economic crises** such as COVID-19. Opinions on the appropriate size of the gender equality-related budget in the future differed among experts, ranging from 2% to 50% or more of the total budget (most responses were **10-20%** for women policy experts and **5-10%** for fiscal

policy experts), **but all agreed that it is important to incorporate gender equality in the budget.**

[Survey of general public]

Survey design and methodology

Survey of general public	
Survey target	Adults aged 19 to 69, nationwide
Valid sample	2,500 people(Sampling error 95% ±2.0p% from confidence level)
Methodology	Online survey using a structured questionnaire
Sampling method	Random sampling after allocating the number of samples according to population proportion by region, gender, and age
Survey period	Preliminary survey conducted over June 1-3, 2020 (3 days). Then, results were incorporated into survey and actual survey was conducted over June 15-July 17, 2020 (5 weeks).

Analysis of survey results⁷⁾

Identification of demand for additional government spending

Among the 12 sectors of national finance, the sectors that require additional government spending are as follows.

Survey question	Response
Sectors that needed additional spending in the state before the COVID-19 pandemic	First priority : Health·Welfare·Expenditure 43.4% - Industry·SMEs·Energy(9.2%) > Public order·Safety(7.7%) > Defense(7.0%) etc.
Sectors that need additional spending after the COVID-19 pandemic	First priority : Health·Welfare·Employment 63.8% - R&D(7.5%) > Public order·Safety(5.0%) > Defense(4.4%) etc.

7) Analysis of raw data in Korean Women's Development Institute(2020b)

Among the sub-sectors of ‘Health·Welfare·Employment,’ the sector that needs additional government spending **before and after the COVID-19 pandemic** was seen as **‘basic livelihood security.’**

○ Experience with government spending related to gender equality

Survey question	Response
Whether or not you have experienced or felt government spending cuts on gender equality	Have felt or experienced such spending cuts 17.9%
Which gender equality-related sectors do you feel experienced spending cuts	Childcare·family·women 42.9% } Child and primary·secondary education 27.2% } Basic livelihood security 23.9% etc.

Respondents answered that they experienced a decrease in government spending related to gender equality in **childbirth and childcare (parental leave, financial support for single mothers, etc.), employment (support for women with career gaps, gender-balanced hiring, etc.), electoral process (election of women lawmakers as vice chairman of the National Assembly, female quota system in election management, etc.), and policies related to women (women’s housing, prevention of spy cams in public restrooms, etc.)**

○ Gender Equality-related Budget Allocation

As for the **appropriate amount of gender equality-related budget allocation**, 31.2% and 27.6% responded ‘less than 3% of the total national budget’ for the present and future, which received the highest response. In particular, regarding the size of the gender equality-related budget that is considered appropriate in the future, the percentage that responded **‘5% to less than 10% of the total national budget (27.2%)’** and **‘10% to less than 30% of the total national budget (14.5%),’** was 3.9%p and 1.9%p

higher, respectively, than the percentage who responded that the current budget for gender equality is the appropriate size.

The highest response for the **appropriate size of the budget for reducing the gender gap** was **‘3% to less than 5% of the total national budget (28.4%).’**

○ Budget formulation for gender-equality related budget

	Average ratio(%)
1 st proposal : Maintain status quo	Average of 59.0%
Maintain status quo, but add content related to gender equality to “Policy Direction and Focus on Fiscal Investment” that oversees 12 sectors so that women-related budgets can be analyzed in each of the 12 sectors.	
2 nd proposal : Establish separately as the 13th sector	Average of 41.0%
As the 13th sector, create a separate budget for women or gender equality so that the proportion of the budget that women-related can be identified at a glance.	

○ Understanding and level of agreement on government spending on gender equality

Among all survey questions, the item that showed the highest level of agreement among respondents was **‘government spending related to gender equality changes the resource allocation process so that national resources are equally and efficiently distributed (2.72/4 points).’** On the other hand, in the case of ‘gender equality-related government spending succeeds in achieving intended policy goals (2.25/4 points),’ the level of agreement was the lowest.

When asked whether government expenditure related to gender equality is only for women, 59.8% of the respondents answered ‘disagree.’ The respondents who thought it was only for women were ‘male’ (46.5%),

‘people in their 30s’ (45.0%), and ‘service and sales workers’ (45.1%). In addition, 56.4% thought that government expenditure related to gender equality is sustainable in the future.

○ Role of government and other considerations

The average score of a survey asking about appropriate tax measures for improving gender equality using a 5-point scale (1: tax cut to 5: tax increase) was 2.85, indicating a relatively high opinion that tax cuts should be made.

In the case of ‘**future direction of gender equality-related services**’ (1: reduction to 5: expansion and reinforcement), the response was an **average of 3.19 points (39.4% for expansion and reinforcement, 40.4% for maintenance, 20.2% for reduction)**, while ‘size of future government’ (1: small government to 5: big government) scored an average of 3.05. This indicates that respondents more strongly agreed that the size of government should be maintained.

As for the areas that require budgetary input related to gender equality, respondents answered in the order of ‘**economic activity (23.8%)**,’ ‘**welfare (19.0%)**,’ ‘**education, vocational training (17.7%)**,’ and ‘**health (12.6%)**.’

VI. Conclusion and Policy Tasks

Gender equality policy (projects, services) is differentiated in that it is a merit good because it largely reflects the preferences of consumers (policy consumers). In other words, increasing the number of gender equality service projects and budget and analyzing all projects from the

perspective of gender equality are seen as different policies. Accordingly, the gender perspective should be incorporated in all 12 sectors of the National Fiscal Management Plan. However, a ‘gender-sensitive national fiscal management plan(draft)’ should be prepared centering on fields that need gender-sensitive budget formulation and spending depending on the priorities set by the general public and experts. Based on this, it is necessary to reflect the specificity of the gender budgeting projects, that is, ‘the essence of gender equality,’ in the guidelines for preparing a gender budget statement, and to present a universally valid distribution standard that is comparable to that of general projects. The policy tasks are as follows.

- Establishing a system for deciding policy direction and fiscal investment plans for gender equality within the budget process
- Enabling cooperation and division of tasks with various actors throughout establishment process of national fiscal management
- Institutionalizing research activities and public surveys for gender-equal management of national fiscal expenditure
- Establishing a system for reporting the results of the gender-sensitive budget system through the Gender Budget and Settlement Council and professional evaluation committee
- Foster and utilize of experts who are well versed in both gender equality and budget fields, and expand the role of specialized institutions
- Proposal of a gender-sensitive medium-term fiscal management plan (draft) by each ministry
- Incorporating a gender-sensitive perspective when setting fiscal management direction and investment by sector in the National Fiscal Management Plan

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