

**BUDGETS AS IF PEOPLE MATTERED:
DEMOCRATIZING MACROECONOMIC POLICIES**

by

Nilüfer Çağatay
UNDP

Mümtaz Keklik
UNDP

Radhika Lal
UNDP

James Lang
UNDP

May 2000

The Conference Paper Series is a UNDP/SEPED contribution to the five year review of the Fourth World Conference on Women (Beijing) and the World Summit for Social Development (Copenhagen).
http://www.undp.org/seped/publications/conf_pub.htm

The responsibility for opinions in these articles, studies and other contributions in this series rests solely with their authors, and publication does not constitute an endorsement by the United Nations Development Programme or the institutions of the United Nations system.

TABLE OF CONTENTS

I. INTRODUCTION	1
II. TOWARDS PEOPLE-CENTRED MACROECONOMIC POLICIES	4
1. How Far Are We from Beijing and Copenhagen?	4
2. The Effects Of Globalization On Governments' Ability To Keep Commitments	6
3. The East Asian Crisis	7
4. Rethinking Macroeconomic Policies	8
III. PEOPLE-CENTRED BUDGETS	12
1. People-Centred Budget Initiatives	12
a. Social and Economic Vision: Challenges to Macroeconomic Policy Frameworks.....	14
b. Actors, Institutions and Processes: Challenges to Governance Frameworks	15
c. Methods and Tools For People-Centred Budgeting	17
d. Impacts and Accomplishments	18
2. Pro-Poor Budget Initiatives.....	19
a. Improving Accountability in Finances: Social Auditing in India.....	20
b. Democracy in Action: Participatory Budgeting in Porto Alegre, Brazil.....	24
c. Participatory Budgeting at the National Level: Bangladesh	27
d. Formulating an Alternative National Budget: Canada	28
e. International Dimensions of Pro-Poor Budgeting	31
3. Gender-Sensitive Budget Initiatives	36
a. Leading by Example in Gender-Sensitive Budgeting: Australia.....	39
b. Fulfilling Beijing Commitments: Philippines	40
c. Government and Civil Society in Cooperation: South Africa.....	42
IV. CONCLUSION: LESSONS LEARNED AND FUTURE STEPS	45
WORKS CITED	49
ADDITIONAL RESOURCES.....	52

I. INTRODUCTION*

During the United Nations conferences of the 1990s, governments around the world committed themselves to a ‘people-centred’ vision of social and economic development. Freedom from poverty, the elimination of social inequalities—such as those based on gender—and living in harmony with the environment were agreed to be the common goals of humanity. At the same time, governments recognized that moral-laden declarations without the corresponding dedication of financial resources to meet these goals would be meaningless. Thus, the declarations made at these U.N. conferences also included financial commitments towards the realization of these goals.

This year, the United Nations is undertaking a review of the results of two of these conferences, the 1995 Fourth World Conference on Women held in Beijing, and the 1995 World Summit on Social Development held in Copenhagen. Five years later, results are mixed. Some countries have made progress towards meeting social and economic goals, despite their difficult economic conditions. In other cases, progress has either been slow or significant setbacks have occurred. National policies and practices—including insufficient allocation and ineffective use of public resources—as well as economic crises and other phenomena associated with globalization have contributed to the slow progress towards the goals set in these conferences.

Getting rid of poverty and other social inequalities and undoing the damage to the environment is, of course, a long-term undertaking. Nevertheless, it is possible to gauge the extent to which governments are moving in the direction of meeting their commitments to social and economic aims, through a scrutiny of their budgetary activities. Public budgeting is at its essence about the generation and use of public resources. Examination of public budgets tells us whether governments’ allocation of public resources are in line with the commitments they have made. Budgets matter precisely because they are powerful policy tools with profound implications for social equity outcomes.

* The authors would like to thank Stephen Browne, Siba Das, Jose Carlos Libanio, Kamal Malhotra, Melissa Roche, Pradeep Sharma and R. Sundarshan for their comments on a previous version of the paper. The responsibility for any remaining errors lies with the authors.

The concept of 'budgets as if people mattered' is inspired by a large number of initiatives that have emerged around the world during the last fifteen years. These initiatives examine public budgets through a poverty or gender lens. The ultimate purpose of such budget initiatives is the prioritization of public expenditures and the collection of revenue in ways that are socially equitable. Budget initiatives are diverse in terms of the actors involved. Some initiatives start from within governments, and others emerge from civil society organizations. In yet other cases, they have been formed in partnership between the two spheres. Likewise, their focus varies greatly; some set their sights on influencing national budgets while others focus on sub-national level budgets. The common characteristic in all these initiatives, however, is the impulse to realign budgets with social justice priorities.

Ordinary citizens have a right to know and determine how public revenues are collected and spent. However, in many countries budgetary policy debates occur within relative exclusivity, leaving the majority of ordinary citizens, particularly poor women and men, without a direct or sometimes even a representative voice. In some countries, even members of parliament have limited influence on decisions around allocation of public resources. People-centred budgeting is both about the content of budgets and the process of formulating budgets in ways that are transparent and participatory. Therefore, people-centred budgets are also about good governance.

The desire to make budgets more participatory and transparent is part of a larger agenda to 'democratize' the formulation of macroeconomic policy frameworks. The design of macroeconomic frameworks and policies which take into account the voices and interests of women and poor people is critical in the fight against gender inequality and poverty. Macroeconomic policy-making often remains sheltered from broad public scrutiny and debate. This is due in part to the belief that macroeconomics is both a neutral subject, devoid of social content, and a technical subject best left to experts. However, the technical content of macroeconomic policies often disguises their social content. These policies are enacted within a context of institutional structures and power relations among economically differentiated social groups. Macroeconomic policies also produce a variety of social outcomes by determining which groups get what out of the economic pie. Scrutinizing public budgets is an important step towards understanding

the social content of macroeconomic policies currently in place and democratizing the process of macroeconomic policy-making.

This paper describes a rich spectrum of budget initiatives that have revealed and in some cases reshaped the social content of macroeconomic policies from the perspective of poverty and gender inequality. As many of them are participatory, they also demonstrate the potential for democratizing decision-making processes and transforming economic frameworks and policies into instruments of people-centred development. Overall, these initiatives have contributed to the economic and political empowerment of women and poor people in the following ways:

- They have helped raise the awareness of the public on gender inequality and poverty issues by sparking social dialogues on these social problems.
- They have demonstrated how public budgets can be made responsive to the needs of women and poor people by incorporating their interests and voices into budgetary decisions.
- In many instances they have led to more effective revenue collection and use and reduction in corruption by improving transparency and accountability in public finance.

Thus, people-centred budget initiatives are rich in lessons concerning how economic frameworks and policies can be transformed and governance practices can be improved in diverse economic, political and social settings.

This paper is organized as follows. Section II lays out the contextual framework for the extended discussion of budget initiatives that is the subject of Section III. We briefly review progress to date on the commitments made in Copenhagen and Beijing and how public resource allocation has affected this progress. We then look at the implications of globalization processes and the East Asian Crisis for rethinking macroeconomic policies. Section III starts with a general discussion of people-centred budgets and then describes and analyses a variety of budget initiatives under two headings: pro-poor and gender-sensitive budget initiatives. In this section, we also address international dimensions of people-centred budgeting. The paper concludes with a discussion of lessons learned from these initiatives and suggestions for next steps to make budget exercises more effective instruments for social development, justice and equity goals.

II. TOWARDS PEOPLE-CENTRED MACROECONOMIC POLICIES

1. How Far Are We from Beijing and Copenhagen?

The United Nations Conferences of the 1990s contributed to the emergence of an international consensus on policy goals such as poverty eradication and promotion of gender equality. The commitments of the 1995 World Social Summit on Development held in Copenhagen included:

- the creation of an economic, political, social, cultural and legal environment that enables people to achieve social development goals
- eradication of absolute poverty by a target date to be set by each country
- achievement of equity between women and men
- universal access to education and primary health care

The Beijing Platform for Action similarly contains twelve critical areas of concern including women's poverty and women's economic and political empowerment, and particularly emphasizes the needs of poor women. It also calls upon governments and other actors in development to address these areas by integrating a gender perspective in all programmes and policies and their budgetary dimensions. The Platform further calls for the financing of policies specifically addressing gender equality concerns.

In making these commitments, countries were expected to integrate the goals into their development plans, mobilize resources, ensure transparency and accountability in the budgetary process and undertake periodic reviews to monitor progress. For example, during the 1995 Social Summit governments made a commitment to strive to increase official development assistance (ODA) to 0.7 percent of GNP. Additionally, both developed and developing country governments agreed on a voluntary 'mutual commitment' that would allocate, on average, 20 percent of ODA and 20 per cent of the national budget respectively, to basic social programmes. This commitment came to be known as the '20/20 initiative', which is described in detail below.

Five years later, the evidence indicates that while much has been achieved in some areas, progress on the commitments has been slow in many others. Many countries are unlikely to live up to their promises unless more radical and concerted efforts are

made in the fight for a more equitable social and economic order. As UNDP's *Poverty Report 2000* argues with respect to poverty eradication, "A new global strategy has to be mounted—with more resources, a sharper focus and a stronger commitment" (UNDP 2000: 8). A recent report prepared by Social Watch, a coalition of civil society organizations that monitor the commitments made at the Social Summit and in Beijing, reaches similar conclusions (Social Watch 2000).

The shortfalls in achievement of social development goals can be attributed to a number of factors. Among these are the absence of clear targets and strategies, monitoring mechanisms and accountability measures. Another major obstacle has been the inadequate allocation and ineffective and inequitable use of public resources, despite verbal commitments to the contrary. For example, while the promise to increase ODA to 0.7 percent of GNP might have been genuine, it has proven hollow. In 1997, the proportion of OECD Development Assistance Committee country GNP given as aid fell to 0.22 percent. A recent review of basic social services—including basic health, basic education, nutrition, sanitation and water—has found that universal coverage of such services would require between \$206 and \$216 billion per year, an amount less than one percent of the value of today's global output. However, the actual amount channeled to these services is only \$136 billion (UNDP et al. 1998). Finally, insufficient financial and technical resources for gender mainstreaming is an important factor hindering the implementation of the Beijing Platform (United Nations 2000: 18).

Clear strategies are key to redressing the kind of societal ills emphasized in both the Copenhagen and Beijing conferences. Many countries do not have explicit anti-poverty plans, but rather choose to incorporate poverty into national planning. However, poverty concerns rarely appear in a prominent way in national planning efforts. Instead, anti-poverty programmes are frequently perceived to be a set of small-scale targeted interventions, usually involving social services or the provisioning of credit to poor people, despite the fact that macroeconomic policies have just as much or even more impact on poverty as targeted small scale interventions (UNDP 2000). Even in the case of countries with explicit anti-poverty plans in place, strategies remain vague, lacking adequate budgets and explicit targets. As a result of both vague strategies and faulty economic frameworks, there is often a strong dissonance between anti-poverty plans and

a country's general economic policies, particularly macroeconomic policies. Another explanation for the limited progress vis-à-vis the goals laid out in Copenhagen and Beijing is the lack of good governance. Inadequate transparency and accountability of many governments to their citizens has meant that even when resources are allocated towards poverty reduction, they may not reach poor people. Similarly, even though gender mainstreaming strategies put forth in Beijing clearly included macroeconomic policies, more often than not governments have been less than accountable to women, rendering them unable to claim their fair share of national resources.

2. The Effects Of Globalization On Governments' Ability To Keep Commitments

Not all obstacles to progress in social development are of national origin. Increased economic volatility associated with globalization and widening inequalities across and within nations have also impeded progress on social development. Globalization, a sweeping force in the late 20th century, has ushered in gains for many countries, regions and individuals. But it has also intensified the social exclusion and marginalization of poor people, and made it more difficult for some countries to live up to their poverty reduction targets. International debt burdens, shrinking official development assistance, pressures to adopt macroeconomic policies which put excessive emphasis on fiscal restraint, trade and investment liberalization policies, increased instability in the global economy resulting from capital account liberalizations, and economic crises associated with such volatility have all put constraints on national and local budgets.

All these phenomena work to squeeze budgets at times through the revenue side and at times through the expenditure side. Many countries with weak tax collection systems have relied on tariffs as an important source of revenue. Reductions in tariffs and increased competition to attract foreign investment by offering tax breaks make it harder for governments to raise revenues. At the same time, economic instability associated with globalization increases economic insecurity, requiring governments to spend additional resources in order to shield their citizens from such instability.

On the positive side, these same pressures have also created the breeding ground for creative thinking, proposals and actions upholding a people-centred vision of development, justice, equity and sustainability. A burgeoning 'global' civil society, which globalization helped create, has been making demands for democratic participation not only at the local and national levels, but also at the international level. For instance, the increasing influence of popular movements with their calls for democratic and transparent forms of global, national and local governance was evident in the recent media attention given to protests that took place at the World Trade Organization's ministerial meetings held in Seattle in 1999 and at the World Bank/International Monetary Fund meetings held in Washington, DC in 2000. The diverse civil society groups that took part in these protests demanded inclusion in discussions about poverty eradication, equitable international trade and finance, increased accountability and transparency, environmental protection and fair labour practices. Civil society organizations called for greater accountability from the multilateral institutions of global governance.

3. The East Asian Crisis

“We in Asia must spend more time on social reform. We have spent a little too much time on the economy.”

*Dr. Supachai Panitchpakdi,
Deputy Prime Minister of Thailand (quoted in Watts 2000)*

The East Asian crisis brought home the arguments put forth by civil society organizations with devastating clarity. Affecting countries that had been successful players in globalization, the East Asian crisis showed that decades of progress made on social development, including in poverty eradication, could be set back seriously in a very short period of time.

In the 1980s and 1990s, the populations of the Asian miracle economies had experienced rising levels not only of income, but also of education and social welfare. These economies had experienced what Amartya Sen has called 'growth-mediated security', or rising social welfare as a by-product of increasing affluence, rather than

'support led security' based on wide-ranging public support in domains such as employment provision, income redistribution, health care, education, and social assistance (Dreze and Sen 1989). The insufficient level of social protection put in place by the Asian miracle economies was partly a reflection of policy choices reinforced by the belief that high and sustained growth would effectively reduce poverty and income distribution problems over time.

When the crisis and post-crisis adjustment policies hit, the social cost was enormous. The initial reaction to the crisis by the International Monetary Fund (IMF) contained the standard recipe of fiscal restraint with cuts for expenditures, among other measures. These IMF-mandated cuts exacerbated the crisis and poor women and men carried a disproportionate burden of the crisis.

4. Rethinking Macroeconomic Policies

The recession in the industrial countries in the 1930s was the catalyst for fundamental social and political rethinking of national and international economic strategy. The Asian crisis provides a similar opportunity. Will it be taken?

1999 Human Development Report (UNDP 1999)

The social dislocation caused by the Asian crisis gave rise to a far-reaching debate among influential economists and policy makers in governments and major development institutions about the international financial architecture and the correct sequencing of macroeconomic policies, as well as the relationship between macroeconomic policies and social policies. One result was increased attention to the social impact of macroeconomic policies and 'social issues' in general.

That development has to be a people-centred process, and that progress has to be measured by the improvements in the well-being of those who have too little are hardly novel ideas. In fact, the sustainable human development approach, which focuses on poverty eradication, promotion of gender equality, environmental regeneration, and the creation of employment and sustainable livelihoods through democratic governance has been the underlying framework of 1990s United Nations conferences. For example, the recent United Nations review of the Beijing Platform for Action states that

[t]he Platform for Action's understanding of development corresponds to the approach of the United Nations Development Programme Human Development Reports of the 1990s. These reports focused on development as a process that aims to enlarge people's choices and enable access to equal opportunities, ensures sustainability of physical, human, financial and environmental resources, enhances a people-centred macroeconomic environment and empowers people to take initiative in activities, events and processes that shape their lives

(United Nations 2000: 9).

However, the macroeconomic policies put forth under the rubric of Washington Consensus have been at odds with the sustainable human development approach. Macroeconomic policies have thus far emphasized macroeconomic stabilization—traditionally obtained by slashing expenditures—above all else insofar as macroeconomic policies are seen as laying the foundations for robust growth. While the Washington Consensus recipes have been successful in reducing budget deficits and inflation, they have not been successful in producing sufficient growth in a number of countries, let alone social justice or poverty reduction. As it became evident in the 1980s that benefits of growth do not automatically reach all segments of society, the promotion of safety nets and basic social services began to be used as a complementary strategy alongside fast growth. Safety nets set up to catch the 'adjustment poor', however, proved to be insufficient to meet the large need.

In the aftermath of the Asian crisis, there seems to be greater agreement that the social impact of macroeconomic policies must receive increased attention, that countries must put in formal protections for vulnerable groups, that there needs to be more flexibility on the fiscal target indicators, that excessive fiscal restraint must be avoided and that public spending for basic social services for poor people must be protected or even increased during economic crises.

There is also a growing consensus that countries must act to put measures that increase economic security in place before the next crisis hits since there is less room for such maneuvers during a crisis. Another widely accepted point is the need for greater transparency and accountability of governments. These concerns have ushered in efforts like the World Bank's Comprehensive Development Framework which proposes that macroeconomic policies and social development goals must be thought as two sides of

the same coin. Another framework for the integration of macroeconomic and poverty reduction policies is provided through the poverty reduction strategy frameworks to be articulated by countries in the form of Poverty Reduction Strategy Papers (PRSP). The PRSP is to be the basis for debt relief under the Heavily Indebted Poor Countries Initiative (HIPC), as well for concessional loans from the IMF and the World Bank. This is expected to involve over 77 countries in the next few years

These initiatives are still in the making, leaving the question of *how* the integration of macroeconomic policies with poverty reduction strategies will be carried out. Will there be a fundamental rethinking of macroeconomic policy frameworks in relationship to poverty reduction and other social goals? Despite the recent discussions concerning the integration of macroeconomic policies with 'social policies', there is still a strong tendency to design what are considered to be 'sound' macroeconomic policies, with a primary emphasis on price-stabilization, fiscal restraint and a reduction in the role of the state. Social policies, such as social funds or insurance schemes, are then added on as an afterthought to these 'sound' macroeconomic policy packages in order to achieve outcomes such as poverty reduction. This may be called the 'adding on' approach.

An alternative approach to integrating social policies with macroeconomic policies would make explicit the premise that all macroeconomic policies have a social content as they are enacted within a certain set of distributive relations and institutional structures; and that all macroeconomic policies produce a variety of social outcomes. The 'soundness' of macroeconomic policies would be judged not only by financial criteria or growth per se, but in terms of whether they ultimately succeed in achieving social justice. Promotion of human rights of all peoples through distributive justice, equity, provisioning of needs for all, freedom from poverty and discrimination, social inclusion, development of human capabilities would become the ultimate goals of policy-making, including macroeconomic policy-making. This approach can be called the 'transformatory approach' to macroeconomics, which is based on the premise that social policy needs to be mainstreamed into macroeconomic analysis by means of a rethinking of macroeconomics (Elson and Cagatay 2000).

From this perspective, macroeconomic policies are not technical exercises which consist of ready-made formulae applicable to every context. Neither are they exercises

completely beyond the reach of ordinary citizens. Rather, macroeconomic policy-making would start with a democratically articulated assessment of the aspirations and goals of a society, which would facilitate the design of policies targeted to realize these goals. Thus, at issue is the democratization of the *process* of macroeconomic policy-making. If one of the meanings of development is to expand choices, the ability to make choices must be applied to the macroeconomic level as well. This can happen only if the idea of hearing 'the voices of the poor' or 'voices of women' is extended beyond dialogue at the level of community development to national and indeed to international dialogues.

This is not to say that macroeconomic policy-making is devoid of technical content or that the citizenry can always be presented with a menu of delightful choices. Sometimes there are very few alternatives from which to choose. However, whatever policy path is chosen, its social content must be made explicit and the reasons behind the policy choices must be discussed through open and participatory social dialogue.

A fundamental responsibility of those with technical expertise is to communicate alternative policy choices and their social content to the citizenry clearly and simply *before* such policies are adopted. Otherwise, economic discussions will only hear the voices of those with financial interests and policy-making will continue to be formulated to placate the fears of financial investors. In the words of the former chief economist of the World Bank, Joseph Stiglitz,

“...What is at issue is a question of values, of democratic processes, and how partly because of the absence of democratic process, decisions were made that jeopardized the livelihoods and even the lives of many of the world’s poor...there was certainly no engagement on the broad fundamental question about democratic process and whether there was a balance of representation in the decision-making process of balancing financial interests versus workers...”

Joseph Stiglitz (quoted in Moberg 2000)

All these issues point to the need for a democratic rethinking of macroeconomic policy frameworks from a people-centered perspective. A logical entry point for such rethinking is the use of public resources, namely national and local budgets. Indeed, such rethinking and action have been in the works in a variety of countries over the last fifteen years.

III. PEOPLE-CENTRED BUDGETS

1. People-Centred Budget Initiatives

Budgetary policy forms a crucial component of macroeconomic policy frameworks. Traditionally, national budgets have performed several central economic and social functions: they allocate resources, provide basic social services, ameliorate income and wealth disparities, stabilize prices, and generate economic growth and employment. Budgets reflect the vision of economic and social development of governments and more generally the values of a society. They also reflect the choices that governments have to make to realize their social and economic agenda. Underlying these choices is also the balance of power relations among different social groups.

There are many different entry points to a discussion on budgets. The entry points may be from the point of view of distributive justice and equity, transparency, accountability, efficiency or sustainability. In recent years, a large number of budget initiatives have been undertaken in a wide range of countries. In the area of gender alone, currently there are budget initiatives in 18 countries: consisting of Australia, Barbados, Fiji, Kenya, Malawi, Mozambique, Namibia, Philippines, South Africa, Sri Lanka, St. Kitts, Switzerland, Tanzania, Uganda, UK, United States, Zambia and Zimbabwe (UNIFEM 2000).

People-centred budget initiatives can be differentiated in a variety of ways. In order to understand the nature of an initiative and the lessons that it teaches, it is useful to ask the following questions:

- **Social and economic vision, political context and specific concerns:** What is the social and economic vision that an initiative espouses? What is the political economy context? Is the initiative connected to other social and political movements? What are the more specific concerns it seeks to address? These can be related to poverty or gender or both. Some budget initiatives, focusing more generally on social inequalities, also address racial or ethnic inequality, or regional disparities.
- **The emphasis on expenditures and/or revenues:** Does an initiative focus on expenditures or revenues, or some combination of both?

- **In terms of the specific outputs:** What kind of output does the initiative produce? Is it a budget statement which contains a social impact analysis of existing budgets or does it formulate a people-centred budget?
- **In terms of the challenges it poses to the larger economic especially macroeconomic policy framework:** What is the economic framework of the initiative? Does it challenge the existing macroeconomic policy frameworks or does it take them as given? Does it challenge the existing monetary or exchange rate policy? Does it address constraints posed by external economic relations (e.g. debt, conditionalities imposed by donors or multilateral institutions, erosion of government revenues as a result of trade liberalization)?
- **In terms of the challenges it poses to the larger governance framework:** How does the initiative challenge the existing governance practices at the international, national or local levels? What contribution does it make towards transparency and accountability? What are its implications for making resource use more effective towards social goals? Does it focus on making resource use more effective? Does it challenge the existing legal structure?
- **In terms of the process used:** Is the initiative participatory? What is the nature of participation? How broad-based is it? Does it involve ordinary citizens? Does it involve NGOs? If so, whom do the NGOs represent?
- **In terms of the actors and institutions involved:** Is the initiative inside the government, outside the government, or does it involve actors both within and outside the government? If it is inside the government, which branches does it involve (e.g. the finance ministry, women's ministry, national planning agency, local municipalities, and the like)? If it is outside the government, which institutions and groups does it involve? What are the roles of ordinary citizens and external actors such as multilateral institutions and donors?
- **In terms of the methods and tools they use:** What kind of technical tools does an initiative use or develop? Are there non-technical tools that allow broad-based participation? Are there tools that attempt to bridge the technical and the social? Are there tools developed to encourage social dialogue on budget issues?
- **In terms of the impact it has on the social and economic vision or the macroeconomic and governance frameworks of a country:** Is an initiative an instrument of empowerment of socially excluded groups? Which actors and institutions does it engage? Has it succeeded in promoting general awareness and social dialogue on the issues it addresses? Does it actually influence or change the budgetary process or the ways in which public resources are used?

a. Social and Economic Vision: Challenges to Macroeconomic Policy Frameworks

Starting from the framework of sustainable human development, in this paper we limit ourselves to those initiatives that explicitly address poverty or gender concerns. Besides these explicit themes, all initiatives—particularly the participatory ones—also relate to good governance practices, such as transparency, accountability and effective use of resources towards concrete outcomes.

This paper uses a broad definition of a budget initiative. We include all policies or actions that contain an explicit focus on national or local level public expenditures or revenues from poverty or gender perspectives to constitute a budget exercise. In general terms, these exercises promote a particular vision of socially equitable development and start by posing the following questions with respect to a concrete national or sub-national budget:

- Are particular expenditures or methods of raising revenues pro-poor, i.e., in relative terms, are they likely to benefit or hurt poor people more than people who are not poor?
- Are particular expenditures or methods of raising revenues gender-sensitive, i.e., how do the benefits and the burdens differentially affect men and women, boys and girls?

The ultimate goal of these various budget initiatives is to come up with reprioritization of both expenditures and revenue-raising methods in order to promote social justice. While most budget exercises focus on the expenditure side, some focus both the expenditure and the revenue side.

Even though most of the budget initiatives we discuss below focus primarily on one theme such as gender, many go beyond a singular concern either explicitly or implicitly. For example, the gender-sensitive budget exercise in South Africa pays special attention to poor women, starting from the understanding that women are not a monolithic group. It is also concerned with racial inequality. Likewise, the 20/20 initiative, which seeks universal access to basic social services, would also help reduce gender inequality since illiteracy among women is higher compared to men. The Canadian Alternative Federal Budget (AFB) drawn up each year since 1995 by civil

society groups and proposed as an alternative to the federal budget of Canada explicitly takes up poverty, gender and other social inequalities, as well as environmental concerns.

In terms of the specific outputs they produce, we cluster budget initiatives in two broad categories:

- (i) *Social Impact Analyses and Audits:* These entail examination of existing public budgets in order to reveal how budgets affect gender equality or poverty or whether public resources are actually put to use in the ways they are stated to be used. Examples we discuss below include the pro-poor budgeting exercise in Bangladesh, and the public audits of government public works programmes and the accompanying right-to-information movement in India.
- (ii) *Preparation of People-Centred Budgets:* These are initiatives that entail the preparation of budgets with explicit gender equity or poverty reduction goals. They start with social impact analyses of existing budgets but go beyond them to formulate 'people-centred' budgets by reprioritizing expenditures and/or reformulating revenue-raising policies, including taxation. Examples we discuss below include the participatory municipal budget of Porto Alegre, carried out by the municipality with the active participation of citizens. The Canadian AFB is another example.

Budget initiatives pose many challenges to current economic and social policies and macroeconomic policy frameworks. For example, the Canadian AFB initially started as a challenge to the neo-liberal macroeconomic policy framework of the federal government. It reformulates monetary policy as well as fiscal policy. Other examples we discuss below include the gender-sensitive budget initiatives in Australia and the Philippines, and the Gender Budget Initiative launched by the Commonwealth Secretariat through technical support to governments in Barbados, South Africa and Sri Lanka among others. All these initiatives challenge gender biases of macroeconomic policies, traditionally claimed to be gender-neutral. They are part of a larger framework of mainstreaming gender into macroeconomic policies.

b. Actors, Institutions and Processes: Challenges to Governance Frameworks

In most countries, budgets have been mainly the responsibility of national or sub-national governments. Representative institutions such as parliaments or district assemblies also have a role in the budgetary processes through parliamentary debates and

their votes on the budget. However, sometimes the role of such representative institutions can be limited because of the governance framework of a country. The recent efforts towards devolution and fiscal decentralization mark a change towards the possibility of more broad-based participation. Participatory approaches to budgets, which are becoming more widespread in many countries, reflect a new understanding of governance and democracy as well as policy-making at the macroeconomic level. In these exercises, participation means incorporating the voices of those whose needs are often ignored, such as people living in poverty and women. Broad-based participation requires mobilization of the citizenry and in many participatory cases, movements around budgets are connected to larger political and social movements and political and social transformation processes. Participation also requires building up the capacity and knowledge base of the citizenry on issues related to budgets. The act of participation is itself an aspect of empowerment, which is a key element of effective strategies against poverty and social inequalities.

At the political level, greater transparency and accountability of budgetary processes are vital components of participation and distributive justice. Participatory budgeting processes reflect the idea that budgets should be motivated by the objectives of equity, participation and sustainability - not merely fiscal restraint as is often the case. However, participatory budgets also help raise issues of sustainability of budgets and effective use of resources. Transparency and accountability are important not only in terms of ensuring that resources are channeled into socially equitable ends, but they are also important for the ability of the governments to raise revenues. Citizens are more likely to be willing to increase their tax contributions and external actors are more likely to provide financial support when governments become more transparent, accountable and use their resources effectively. Ultimately, participatory budgeting is not only about reallocation of resources towards equitable ends, but it is also about how effectively resources are raised and used to meet the stated needs of the citizenry. As we describe below, in the context of specific initiatives, the type of participation of citizens in the budget-making process varies widely.

In terms of institutions and actors involved, some budgets initiatives have taken place inside governments, such as the Gender Budget Initiative launched by the

Commonwealth Secretariat. Others have been undertaken by civil society organizations independently of the government, such as those in Canada and India. There are also budget exercises which involve the cooperation of governments with civil society organizations or the citizenry at-large. The case of gender-sensitive budgeting in South Africa is an example of cooperation between the government and civil society organizations. The case of Porto Alegre is an example of cooperation between the government and the citizenry. These all represent different degrees and types of participation.

Budget-making processes often involve not only the citizens of a country, whether placed inside or outside the government, but also international actors. This is because both the revenues and the expenditures of governments are affected by the linkages of their economies to other economies through capital and trade flows, debt and ODA. Through loan conditionalities, multilateral institutions of global governance such as the IMF can have as much or more say than governments in the way that budgets are formulated. This is especially the case with highly indebted countries. Donor countries also have a say in the way governments use external revenues. However, external actors are not monolithic in their approaches to development or the ways in which they make external resources available. While some have focused on financial criteria for making external resources available, others have viewed their role as partners with governments and civil society groups, supporting the reprioritization of expenditures towards socially equitable budgeting. The 20/20 initiative is an example of such an international partnership between governments and donors on pro-poor budgeting. The enhanced HIPC initiative which links debt relief to a country's poverty reduction strategy and macroeconomic framework will be another important international initiative in the years to come. We explore the HIPC initiative and the related PRSPs, even though these are in the process of being prepared, for their implications on pro-poor budgeting under the rubric of international dimensions of pro-poor budgeting.

c. Methods and Tools For People-Centred Budgeting

As pointed out above, budget initiatives can also be differentiated by the types of methods and tools they use. Over the years, a variety of technical tools have been

developed to carry out analyses of budgets. For example, *public revenue incidence analysis* is used to determine how much of the total government revenue in taxes or user fees come from different categories of individuals and households. Another example is *benefit incidence analysis* which focuses on who benefits from government services. New tools have also been developed or adapted for gender-sensitive budgeting (UNIFEM 2000). They include gender-aware policy appraisals, which analyse the ways in which particular policies and allocation of resources are likely to reduce or increase gender inequality, and the analysis of impacts of budgets on time use patterns by women and men.

The methods and tools used in a budget initiative are closely linked to the process and the actors involved. Budget initiatives are more than technical exercises. While less participatory exercises use technical tools which can be used by a limited number of experts, those that are more participatory will require additional tools and methods that actively encourage the participation of ordinary citizens (Rahman et al. 1999).

d. Impacts and Accomplishments

People-centred budgeting practices take long-term concerted efforts on the part of the citizens. The starting point for people-centred budgeting is the creation of a broad-based social dialogue around equity issues. Some initiatives have taken advantage of new democratic spaces created as a result of larger social transformations (e.g. South Africa). Others are connected to the fiscal decentralization and devolution practices and movements as is the case in India, Porto Alegre and Bangladesh. These initiatives aspire to make such practices more democratic. While the impacts of an initiative on governance and economic frameworks will depend on the larger political economy context of a country, all the initiatives illustrate possibilities for new economic frameworks and improved governance. For example, all the gender-sensitive budget initiatives represent the introduction of a new perspective on macroeconomic policies and a broadening of gender mainstreaming efforts from micro-level interventions (micro-finance or women's entrepreneurship) to the macroeconomic level. By putting public budgets to scrutiny and in some cases reshaping budgets towards equity goals, these initiatives have also contributed to more effective use of public resources. They also

demonstrate the potential for reducing corruption through the demands they place on governments for greater accountability and transparency in public finance. Finally, the initiatives, especially the participatory ones, are operating as tools for political and economic empowerment of poor people and women.

2. Pro-Poor Budget Initiatives

One of the basic commitments made by governments during the 1995 Social Summit was the formulation and implementation of anti-poverty plans. UNDP's *Poverty Report 2000* assessed national anti-poverty plans in 23 countries. The Report indicates that many of the national anti-poverty plans "...still continue to treat poverty as though it were a sectoral issue that can be addressed by a set of targeted interventions, such as providing microcredit or basic social services" (38). The Report concludes that there is a need for a new generation of programmes with a focus on making the growth process more pro-poor, targeting inequality and emphasizing the importance of empowerment of poor people and particularly of poor women. The report argues that the 'old-school' prescription of supplementing rapid growth with social spending and safety nets proved to be a wrong solution stemming from a wrong diagnosis of the problem.

The Poverty Report emphasizes the importance of integration of anti-poverty plans into economic policies and general budget allocations. The distributional effects of government taxes, current expenditures and investments in the government budget must be considered in relationship to the dynamics of poverty in a country and anti-poverty plans. The government budget, like any other economic policy tool, must be one of the basic tools of anti-poverty and anti-inequality policy and programmes by focusing public resources towards poor people.

However, one huge obstacle to pro-poor use of public resources and budgeting is 'poor' governance. To paraphrase the Poverty Report, good governance is the 'missing link' between anti-poverty plans and poverty reduction. Without transparency and accountability, public resources often wind up in the pockets of the non-poor. Ensuring that governments are accountable to citizens living in poverty requires the social mobilization of poor people and their participation in budgeting processes. Thus, we

define pro-poor budgeting as those practices which incorporate the interests and the voices of poor people. Such practices inevitably lead to better governance.

The four examples below demonstrate the different ways in which interests and voices of the people are incorporated into budgetary issues. The first example from India shows how social mobilization around public audits has led to improved accountability by creating a social impediment to corruption. The second example from Porto Allegre shows how ordinary citizens can be involved in actual budgeting decisions. The third example from Bangladesh makes recommendations about practical steps to help make budgeting more participatory. The fourth example from Canada shows how the interests and voices of the people are incorporated in the content of the Alternative Federal Budget (AFB).

a. Improving Accountability in Finances: Social Auditing in India

Social auditing is the process of verifying expenditures actually made as to their sufficiency with regard to stated social aims. Social auditing is a very important step in terms of accountability and making budgets responsive to the needs of those living in poverty. Social auditing and more generally participatory budgeting require transparent systems of information flow. Very often a significant obstacle to participatory budgeting is the of lack of information made available to the public.

In principle, there are a number of institutional mechanisms to track the use of public resources. Auditors, democratically elected parliaments, a free press, independent judiciaries are all ingredients for accountability and good governance. However, these institutions are sometimes weak or operate slowly, and may not bring about sufficient accountability. Citizens' movements organized around social auditing can be an important vehicle for increasing transparency and accountability, and for the empowerment of poor people by allowing them to make claims on resources.

Participation by poor people in budget exercises does involve the self-organization of ordinary citizens some of whom may lack literacy and numeracy skills or other particular technical knowledge about budgets, but do understand the issue of accountability. Such movements are likely to be more effective when alliances are formed with those who have technical economic and legal knowledge, as has been

demonstrated by some of the 'local' budgetary initiatives that have taken on the issue of accountability. In the late 1980s, a number of civil society organizations began to scrutinize government budgets from the perspective of poor men and women, partly as a process of social auditing and partly as an attempt by grassroots organizations to make budget allocations more responsive to the needs of all citizens.

Almost the first issue that such initiatives have had to contend with was acquiring the right-to-information on budgetary allocations and expenditures. For example, in India, as in a number of other countries, funds allocated for building schools, dispensaries or for developing drinking water schemes and the like would in many cases go into the pockets of local or state level elites holding official positions (Roy 1997). Ordinary citizens might be aware of such corruption, but have little power to fight it directly due to a lack of access to information on public finances and the inability to verify claims of corruption.

A mass-based organization called Mazdoor Kisan Shakti Sanghathan (Movement for the Empowerment of Peasants and Workers, or MKSS) working in one of India's poorest areas, Bhim Tehsil, Rajasthan, has changed all that, giving new meaning to the demand for the right-to-information in the context of development (Jenkins and Goetz 1999). The group had been active since the late 1980s, initially in trying to get the state of Rajasthan to enforce minimum-wage regulations on its employment generation programmes in the drought-prone area. Discrepancies had constantly arisen between the experience of the villagers hired in these projects or supposedly benefiting from them and the government's claims. In 1990, MKSS began to take up the more general issue of government's transparency and accountability. It took four entire years for the MKSS to get the right to view bills, vouchers and employment rolls of development projects from the government at the *panchayat* (lowest unit of local self-government) level (Roy 1997). It took another three years to get the right to copy documents, which was key since certified copies were needed to use as evidence when registering *prima facie* cases of corruption. Moreover, people needed time and assistance to interpret the technical details in these official documents. MKSS was active in cross-checking stories told in official documents with villagers. They looked for discrepancies between the records and villagers' own experiences as labourers on public-works projects, as applicants for anti-

poverty schemes, and as consumers in ration shops. In these shops, rationed amounts of basic staples and kerosene are made available to villagers at subsidized prices upon demonstration of ration cards. Sales records were checked against ration cards to see whether the records had been falsified to conceal staples diverted to the open market where store owners could receive higher prices (Jenkins and Goetz 1999).

Starting in December of 1994, the MKSS began to hold public hearings (*jan sunwayi*). Everyone, including elected representatives and local government officials, was invited to attend. In these hearings, which have more resonance with popular notions of dispute settlement than with legal court hearings, detailed accounts are read to villagers who can then testify to discrepancies between the accounts and their experiences. For example, these hearings revealed that sometimes villagers who had never received payment had been listed as beneficiaries of anti-poverty schemes and that local building contractors received payment for works that were never performed (Jenkins and Goetz 1999). In these cases of corruption, the MKSS attempted to use public pressure to force government and elected officials to return the amount that had they had embezzled to the same village and used public humiliation as a deterrent to future corruption (Roy 1997).

As various observers—including journalist Neelabh Mishra (2000) and local activist Dunu Roy (1997)—point out, these hearings also served to reveal a connection between the wealth of the rich and the villagers' continuing poverty. Thanks to the testimonies and the analysis of public documents, people were able to trace how public moneys had actually been spent. Roy also points to the confidence that the villagers gained as a result of mobilization around the hearings. The villagers have gone on to raise other issues, most recently the discrepancy between fundamental right to elementary education and the facts of village life.

Why is this experience important? The example of MKSS is cited not only because it highlights a key issue—the right to information—as the first element in a participatory budgeting process, but also because it fits into the category of citizens' monitoring initiatives in the battle over corruption. As Rob Jenkins and Ann Marie Goetz (1999) express, this method differs from other monitoring processes in that “the MKSS approach begins from the assumption that what would motivate officials to take

remedial action is concrete evidence of their complicity in misappropriating funds intended for addressing these problems. A right to information makes this possible, though not inevitable. It requires associations of people willing to confront authority.” Goetz, Jenkins, Roy and others have demonstrated how public hearings are used both as a tool for conducting social audits as well as a tool for empowerment.

The movement has spread to other states in India. MKSS has formed a group called the National Council for People's Right to Awareness to press for the right to information. The Council has representatives from different states in India, including Kerala, Madhya Pradesh and Uttar Pradesh. The demand for the right to information has also been incorporated into the platforms of civil society organizations active around issues of public health, consumer safety, development projects and gender equality.

The right to information campaigns of civil society organizations have helped focus public attention on the issue. Several states have enacted legislation setting out the scope and parameters of the right to information. A central Government of India Freedom of Information Bill, to be applicable to all public authorities, is to be presented in the parliament. According to Smt. Vasundhara Raje, Minister of State for Personnel and Pensions, the Bill accepts the principle that every citizen should have a statutory right to information, and that the basic principle of freedom of information is to be the rule. Exceptions to this principle are to be made only when they are in the public interest (Raje 2000). Some observers believe that the legislation on the right to information would have been slower in coming without the advocacy work of MKSS and other civil society organizations.

In India, other groups such as DISHA (Developing Initiatives for Social and Human Action) in the state of Gujarat have for many years analysed the pattern of allocations and actual expenditures for the state budget with a view to evaluating the government's commitment towards fulfilling peoples' right to universal primary education amongst other things. They have established effective methods of monitoring financial allocations at different levels of government, bringing discrepancies in revenue and expenditure to the attention of the heads of local self-government institutions that have been set up as part of the decentralization initiatives in India.

b. Democracy in Action: Participatory Budgeting in Porto Alegre, Brazil

Decentralization of budgetary powers to the municipal or village level is an ongoing process in a number of countries such as Brazil and India. While offering opportunities for redistribution and more direct accountability, decentralization per se does not necessarily involve changes towards pro-poor investment planning, spending decisions or taxation. In fact, decentralization of budgetary decisions without a process of mobilization of poor people and their participation in budgetary decisions may actually help reinforce the power of local elites.

While there is no one model of participatory budgeting that is applicable to all communities, there are some guideposts. Imagine the municipality of Porto Alegre, capital of Rio Grande do Sul with 1.3 million inhabitants, which was once in a somewhat precarious financial state due to the pressures of de-industrialization, heavy in-migration from the surrounding rural areas, a severe debt crisis inherited from the previous government, and financial chaos resulting from poor tax collection from corporate capital and investment incentives given to large multinational automakers. Yet despite these factors, between 1989 and 1996, the number of households with access to water services went up from about 80 percent to about 98 percent and the percentage of the population served by the municipal sewage system increased from 46 percent to approximately 85 percent. In the poorer sections of the city, roughly 30 kilometers of roads were paved annually since 1989 and finally, there was a doubling of the number of children enrolled in public schools (IADB, n. d.; de Sousa Santos 1998). How was this possible?

Most people have credited these changes to the participatory budgeting process that democratically determined where existing resources should be applied and created the conditions for increased resource mobilization. This strategy was started in 1989 by a former mayor Olívio Dutra and carried on by his successors. As Boaventura de Sousa Santos (1998), a keen observer of the initiative, points out, Porto Alegre's participatory budget grew out of a long democratic tradition of civil society active in neighborhood organizing and negotiating with the city.

In Brazil, there is now a three tiered structure to the public budget: federal, state, and municipal. At the municipal level, there is some autonomy in determining revenues and expenditures when it comes to investment decisions (de Sousa Santos 1998). The

expanded social investment efforts mentioned above appeared to have been made possible in part because of larger federal and state transfers stemming from the 1988 constitution, as well as a combination of expenditure cuts and fiscal reforms undertaken by the participatory municipal budget (de Sousa Santos 1998). Rather than making repayment of the inherited and outstanding fiscal debt an absolute priority, as had been the case with the previous government, the municipality decided to put in place a scheme for payment in regular but sustainable installments. In addition, tax and tariffs were rationalized, indexed to inflation and collection was made more efficient. By far the most dramatic change that took place was with property taxes, which went from constituting about 5.8 percent of municipal revenues in 1990 to a recent figure of more than 18 percent (de Sousa Santos 1998). According to de Sousa Santos, Tarso Genro, a former mayor, attributes much of the increased motivation to pay taxes to the transparency in municipal spending brought about by participatory budgeting.

Although Porto Alegre's participatory budget and its associated institutions, which are described below, are not legally recognized, they bring the principle of 'participatory democracy of the citizens' to bear on the democratically representative institutions such as the office of the mayor. The mayoralty and the Chamber of Deputies remain legally responsible for defining and approving the budget. Regional and thematic plenary assemblies, a Fora of Delegates and a Council of the Participatory Budget (COP) constitute the main institutions of the participatory budget. All citizens are entitled and encouraged to participate in the regional and thematic assemblies. The thematic areas covered by the assemblies include transportation and circulation, education, leisure and culture, health and social welfare, economic development and taxation, city organization and urban development. Each of the 16 regional and thematic assemblies hold two rounds annually (de Sousa Santos 1998).

de Sousa Santos (1998) describes the functioning of the assemblies and meetings as follows: The assemblies and preparatory meetings define and rank regional or thematic demands and priorities. They also elect the delegates to the Fora of Delegates and the councilors of the COP, and carry out an evaluation of the executive's performance. Then the councilors use more general criteria to rank the demands of the assemblies and to determine the allocation of funds. They vote on the investment plan proposals of the

executive. The delegates who supervise the implementation of the budget function as intermediaries between the COP and the citizens.

In participatory budgeting, conflicting demands are bound to arise when the level of participation expands to include all groups in the society. Conflicting interests are problematic in participatory budgeting not only in terms of efforts towards the transformation of the governance culture, such as by engaging in new institution building and reforming the existing ones, but also in terms of the actual practice of budget making. This stems from the inclusive nature of participatory processes. Especially when one considers that poverty is a multidimensional phenomenon, resolving conflicting interests of different substrata of poor people with different needs in the determination of expenditure priorities becomes exceptionally difficult. Porto Alegre's approach to reconciling conflicting demands through a weighting system is an important example (de Sousa Santos 1998).

Participatory budgeting has been quite remarkable in transforming the apparently more "clientelistic" budgeting reality of former times into a more accountable, bottom-up deliberative process. However, there are also limits to the process given the overall dependence of the municipal budget on variable federal transfers. For example, there was a sudden reduction of transfers at the end of 1997 as a result of the measures taken by the federal government to carry out the structural adjustment necessitated by the East Asian crisis (de Sousa Santos 1998). Regional disparities and inequities may also set limits to the autonomy of decentralization initiatives. How different can a region's industrial and fiscal policies be from other regions competing for similar kinds of industrial investment? What happens to poorer municipalities as they are forced to generate more of their revenues locally with fewer re-distributive subsidies from the center? Fiscal crises and structural adjustment induced cutbacks also endanger the sustainability of initiatives such as this by undermining their capacity to deliver (de Sousa Santos 1998). Despite these potential threats to its sustainability, the success of the Porto Alegre budgeting process has been widely acknowledged not only in the city and in Brazil but also internationally. Similar budgeting practices are being instituted in other municipalities in Brazil and other countries in Latin America.

c. Participatory Budgeting at the National Level: Bangladesh

In many cases, government budgets are prepared using bureaucratic, incremental and non-transparent mechanisms. The bottom-up budget initiative in Bangladesh challenges this, by using participatory methods in budget making. A group of researchers and advisory activists from NGOs, media and other civil society organizations have worked on a pro-poor participatory budget initiative in Bangladesh for the last four years. Bangladesh presents a conducive political context for implementation of participatory methods in budget-making due to the existence of a vibrant civil society.

The pro-poor participatory budget initiative is now in its third phase. In the first phase, the Institute for Development Policy Analysis and Advocacy at Proshika monitored the impact of the budget on poverty in Bangladesh. This was followed by research in 1995 in which the Institute reviewed the national budget from a poverty lens with the main objective of influencing policies in directions favourable to those living in poverty. The review found that the poor were excluded from budgetary practices and that there was a serious leakage in the flow of resources allocated for the poor (Rahman et al. 1999).

The second phase of the initiative was an innovative participatory appraisal study. A team of researchers conducted surveys in the slums of Dhaka and in rural areas to determine people's understanding of budget issues and the impact of the budget on their livelihoods. The study team distributed 100 coins of equal denominations to poor people with limited literacy and asked them to allocate these coins among different sectors. A similar experiment was conducted with a more 'literate' group, which included members of the parliament, journalists, ex-finance ministers, various professional groups and leaders of different political parties. Both experiments demonstrated a low level of knowledge and understanding of budgetary issues regardless of the level of poverty or literacy.

The initiative is now in its third stage. The research team is currently preparing recommendations for a comprehensive participatory and pro-poor budgetary document. Recommendations address such areas as the framing, implementation and governance of a participatory budget for Bangladesh. Specific recommendations include

decentralization of the budgeting system; devolution of authority, resources and responsibility to local governments; democratization of the priority-setting process; pre-budget consultations with civil society; and gathering public feedback on expenditure choices from citizen juries, opinion polls and social attitude surveys. The team has also recommended the establishment of an office of Ombudsman, strengthening the capacities of the parliamentary budget committees and strengthening the capacity of the office of Auditor (Rahman et al. 1999).

In Bangladesh, there is a shift towards greater pre-budget consultation and participatory tools. One important challenge is the difficulty of making a case for an institutional restructuring for pro-poor budgeting to various decision makers since such restructuring requires political and financial sacrifices on the part of political leaders and other dominant groups in the decision-making process. However, without such democratic institutions, participatory and pro-poor budgeting can not be realized.

d. Formulating an Alternative National Budget: Canada

The Canadian Alternative Federal Budget (AFB) is a joint initiative of the Canadian Centre for Policy Alternatives and CHO!CES, a Winnipeg-based coalition for social justice. It is developed in consultation with a wide range of labour, social and community organizations, as well as academics and activists across the country. The budget is launched in Ottawa and in a number of centres across the country simultaneously, a week or two before that of the government's. The Canadian exercise is holistic in terms of the social vision it promotes. Its basic principles and commitments are: full employment, a more equitable distribution of income, eradication of poverty, gender equality in economic life, the protection of civil, political, economic, social and cultural rights, improvement in the environment, strengthening of public services and the creation of a more just, sustainable and peaceful world order.

A number of features of the Canadian initiative make it unique. The AFB, prepared each year since 1995, is a complete budget within a coherent macroeconomic framework. While most budget exercises have focused on the analysis of expenditures and to some degree on taxation, the AFB has focused more broadly on macroeconomic policies, making the links between fiscal policy and monetary policy. The proposal for a

complete alternative budget includes alternative taxation and monetary policy as well as consideration of the linkages between global, national and local levels of finance and budgeting. Thus, this exercise is the most complete initiative to date, in terms of being based on explicitly defined social policy goals, containing an alternative macroeconomic framework, and coming out of a participatory process.

The AFB takes as given many of the fiscal targets of the Canadian government, but presents an alternative analysis and budget to that of the federal budget (Loxley 1999). Initially, this budgetary exercise started as a challenge to the budgets of the federal government which were based on public sector downsizing. The motivation for downsizing was the reduction of the Canadian budget deficit from five percent of GDP to a target of three percent. The cost of servicing the federal debt underlay the federal budget deficit, which the government argued to be unsustainable. The government's approach to deficit reduction was to make cuts in programme spending. It was argued that expenditure cutting would bring about a fall in interest rates and revitalize the economy, as high government spending was also argued to be the source of high interest rates.

The AFB reversed the government's macroeconomic framework by arguing that the high interest rates were due to the *monetary* policy pursued by the government. (Loxley 1999). The AFB recommended measures that would allow for an easier monetary policy in order to reduce interest rates and introduced some forms of capital control in order to reduce Canada's vulnerability to volatility in capital flows. These included a surtax on Canadian interest earnings on overseas bonds, promotion of the 'Tobin tax' on international financial transactions, and a requirement by financial institutions to invest a minimum amount of their assets in community and small business development. Reduction of the interest rate was seen as a crucial step for stimulating growth and decreasing the rate of unemployment.

Rejecting the practice of using budget surpluses to reduce outstanding debt on several grounds, the AFB sets out very clear macroeconomic targets for reducing unemployment and poverty. For instance in 1997, the overall net impact of the AFB was estimated to be 930,000 additional jobs over two years. At this pace, unemployment rate would have come down from over nine percent to seven percent in 1998, and to five

percent by the year 2000. The AFB does not leave poverty eradication to expansionary monetary and fiscal policies alone. It also promotes anti-poverty measures through the following (Loxley 1999: 17):

- regional development initiatives,
- increase in unemployment insurance benefits,
- increases in federal transfers to provinces for enhanced social assistance payments to those not working,
- a national drug plan, initially, for low-income earners,
- increased funding for child care,
- increased retirement benefits to low-income elderly,
- funds for youth employment creation,
- enhanced services to Aboriginal People and people with disabilities,
- restoration of funding for social housing,
- significant reductions in taxes on low-income families.

On the expenditure side, the AFB would strengthen and restructure social programmes in a series of social investment funds, such as the unemployment insurance fund, income support fund and an enhanced national child benefit. For creation of additional jobs, one recommendation of the AFB is that banks be required to invest a minute proportion of their assets in National Capital Funds to establish sector, local and community development corporations and banks. Democratically elected boards would be employed to administer these corporations. This and other development policies, such as public sector procurement policy, would be part of an overall national industrial strategy. These proposals, combined with high employment growth, would help reduce poverty in Canada from 20 to 14 percent, and child poverty by 50 percent by 2003.

About 70 percent of the funding for the AFB was projected to result from increased growth of the economy, while the remaining balance would come from a revamping of the Canadian tax system. The latter would be accomplished by raising taxes on corporations and wealthy individuals, for example, by the introduction of a wealth transfer tax on transfers in excess of one million Canadian dollars. At the same time, taxes of low-income earners would be reduced. In addition, the AFB promotes green taxation for protection of the environment.

The AFB is undertaken through various civil society conferences and roundtables. A series of 'budget schools' are organized across Canada to improve budget awareness

and secure greater input into the AFB. Popular materials play a big role in building the political base of the budget process. Any group accepting the underlying basic principles of the AFB is eligible for a seat on the national steering committee. The AFB reconciles conflicting demands made by different citizens' groups through dialogue and negotiation. An example is in the area of proposed cuts in defense expenditures. While many groups supported such cuts, representatives of workers in the defense industry opposed them. A compromise was found by focusing the cuts on Canadian military operations abroad and hardware purchases, and by making allowances for labour force adjustment.

The Canadian government is far from adopting the full agenda of the AFB. The AFB, however, has helped to shape government policy. The Minister of Finance has joined in public debate with the AFB and in some areas the government's policy has moved closer to those proposed by the AFB.

e. International Dimensions of Pro-Poor Budgeting

The international community has to squarely face the task of reforming the global enabling environment to accelerate poverty reduction. Developing countries—weighed down by external debt, starved of private capital and technology, blocked from rich-country markets and faced with a declining official development assistance—can not be expected to go into battle without reinforcement. They are being encouraged to launch a full-scale campaign against poverty while their budgets are being put on a 'poverty diet'.

Overcoming Human Poverty: UNDP Poverty Report 2000

Globalization has made it imperative to think about the linkages among the local, national and the global. National reforms in governance, macroeconomic frameworks or other policies are not by themselves sufficient measures in the fight against poverty. Democratic forms of governance at the global level and new international partnerships will have to be forged in a global struggle against poverty. These partnerships have to be based on the idea that freedom from poverty is a human right and that it is the collective responsibility of humanity to eradicate it.

One theme common to the 20/20 initiative, HIPC initiative and the Poverty Reduction Strategy Papers (PRSPs) is the shared responsibility among governments in developing and developed countries, multilateral organizations and non-governmental

organizations to jointly agree and coordinate inputs for social development. Another stated point of departure for these initiatives is the view that social investments, alongside economic ones, are critical for equitable, efficient, and sustainable and poverty-reducing development.

The 20/20 initiative, adopted at the 1995 World Summit on Social Development is an example of an international partnership which seeks to facilitate the mobilization of resources needed at the country level to achieve internationally accepted social goals. At its simplest, the 20/20 initiative signals a reciprocal commitment by developing and developed countries to increase their investment in basic social services from current levels to the indicative level of 20 percent of the national budget and 20 percent of official development assistance. The 20/20 formula is intended to underline a new partnership and express the principle of shared responsibility. More fundamentally, 20/20 is a partnership that seeks to achieve universal access to quality basic social services.

Basic social services are considered to be intrinsically valuable. They are necessary for learning. They enable people to participate in public life and enjoy healthy and longer lives. They also help create a virtuous circle of growth and equity. Historically, in what are now industrialized countries, the public sector has played a central role in financing, regulating and/or delivering basic social services since markets alone do not ensure universal access to these services.

In the context of the 20/20 initiative, UNDP and UNICEF sponsored over 30 country-level 20/20 budget case studies. A survey drawing upon these case studies reveals:

- On average, basic social services receive between 12-14 percent of the national budget, while the share of the ODA from OECD Development Assistance Committee (DAC) countries for basic social services averages about 11 percent; however, this varies greatly between countries, as well as over time. Allocation for basic education, basic health care, reproductive health care, water and sanitation systems did not exceed 16.5 percent of ODA from any DAC countries. Many governments have increased allocations to basic social services in recent years (Mehrotra et al. 2000: 29-30).
- Such spending is not equitable and therefore does not always reach the poor. There are major inefficiencies in the social sectors. However, many governments have introduced reforms to address these inefficiencies.

- Aid effectiveness is hampered by a lack of donor coordination and difficulties in reconciling donor and government expenditure timetables, accounting requirements, and national development cooperation priorities.

These findings imply that universal access will not occur in the near future unless the quantity, equity and efficiency of public and ODA spending on basic social services are increased. Two international 20/20 meetings with participation from interested governments, multilateral and non-governmental organizations have been held since the conference in Copenhagen—in Oslo in April 1996 and in Hanoi in October 1998. These have facilitated consensus on the parameters of 20/20 at country and international levels and made recommendations for further 20/20 action. Support for 20/20 continues with recommendations for a combination of increased and better spending, enhanced integration and co-ordination especially in the context of debt relief and better monitoring and recording of budget allocations to basic social services.

A basic problem is that in many countries the share of the budget devoted to basic social services is unknown. One effect of the 20/20 initiative is the light it has shed on budgetary allocations not only for basic social services, but also for the constraints that underlie the insufficiency of public resources devoted to these services. The country case studies reveal that those constraints at the national level had to do with debt burdens, defense expenditures and also difficulties in the tax collection systems of many countries which render their budgets relative to GNP small. As pointed out above, globalization related processes such as trade liberalization through tariff cuts and tax incentives given to attract foreign direct investment have also constrained the ability of governments to raise revenues. All these require an examination of the larger revenue and taxation problems of developing countries (alongside the expenditure allocation issues) to seek solutions both at the country level and at the international level, including a consideration of various global taxation schemes such as the Tobin tax.

A recent entry point for financing of social development expenditures and for the coordination of fiscal and monetary policies with poverty eradication policies is via the HIPC initiative and the related PRSPs, which are expected to spell out a country's poverty reduction framework (box 1). With the assistance of the IMF, World Bank, and other partners, each country, eligible for HIPC debt relief or IMF and World Bank

concessionary finance, is expected to produce a PRSP, which over time would replace the IMF's Policy Framework Paper (PFP). The stated elements of the approach embodied in the PRSP (World Bank 2000) include:

- the identification of the determinants of poverty in the country,
- the development of an outcome-based strategy which will be monitored frequently and in a participatory way,
- a greater emphasis on broad-based participatory processes, particularly in the selection and the monitoring of poverty outcomes and indicators

These poverty-reduction strategies will include steps such as the estimation of overall financing needs and their incorporation to the public budget. They will also include adoption of structural reforms and sectoral strategies necessary for growth, so that there is a consistency between a country's macroeconomic, structural and social policies. Participatory approaches, which are at the discretion of the national government, are seen as important vehicles for creating a sense of ownership within a country for its budget. A participatory process can also increase the information flow available to the design and implementation of a poverty reduction strategy. The approach will be dynamic in the sense that the results of poverty-outcome monitoring are to be 'fed back' into the analysis of causal determinants and the prioritization and design of public actions.

BOX 1
HIPC DEBT RELIEF FOR POVERTY REDUCTION

At their annual meetings in September 1999, the boards of the World Bank and the IMF endorsed the 'Enhanced HIPC Initiative', which by lowering the criteria for eligibility, was expected to provide "faster, deeper and broader debt relief" to the eligible heavily indebted poor countries than the earlier 1996 HIPC Initiative and "to strengthen the links between debt relief, poverty reduction and social policies." by requiring eligible countries to outline a poverty reduction strategy paper (PRSP). (IMF-World Bank, 2000)

Gains from the original HIPC Initiative had proved to be limited. Only four countries (Bolivia, Guyana, Uganda and Mozambique) had received debt relief in the three years after its introduction, and three others (Burkina Faso, Côte d'Ivoire and Mali) were in line. These seven countries would have received about \$3 billion in debt relief—out of the \$127 billion owed by the 41 HIPC countries whereas under the 'Enhanced HIPC Initiative', there would be relief for 70% of the approximately \$127 billion debt (UNDP 2000).

The enhanced HIPC initiative is expected to provide eligible countries with a 'robust exit' from *unsustainable* debt, and thus, free up fiscal resources for development. Debt relief is conditional on observance of IMF-led ESAF-supported programmes.

Source: IMF-World Bank 2000; UNDP 2000.

While some civil society organizations have advocated a total rejection of the enhanced HIPC, others view it as an opening up of a potential space for a more transformatory approach to macroeconomic policy frameworks for poverty reduction. To be transformatory, institutional frameworks that allow for participatory, pro-poor budgeting at the national level would have to be created. Then, an examination of the social content of current macroeconomic policies and the national budget in each country, as well as anti-poverty plans and strategies that have been already developed in some countries would need to take place. Truly substantive social dialogue on these issues requires mobilization and capacity building of civil society organizations around budgetary issues, especially in connection to debt issues. The experiences of civil society organizations that have been involved in people-centred budget initiatives such as those discussed in this paper can be an invaluable starting point for those groups who would like to engage with the HIPC initiative and the related PRSPs. Indeed, such efforts in international knowledge networking on people-centred budgets have been under way (box 2). International organizations can play a critical role by supporting such knowledge networking.

BOX 2
CAPACITY BUILDING FOR ADVOCACY ON BUDGETS

Many of the organizations involved in budget advocacy work provide capacity building support to constituencies ranging from civil society organizations involved in or embarking on budget initiatives to members of parliament, parliamentary committees and ministries. Capacity building involves the development of technical and advocacy materials, organization of conferences, training workshops and knowledge networks.

For example, IDASA (South Africa) produces a range of budget related training and advocacy materials. It runs budget training workshops and electronic networks. In Canada, the Canadian Centre for Policy and CHOICES organize budget schools to make the budget process more transparent, to impart technical information, secure popular input and to disseminate the Alternative Federal Budget. Over 20 budget schools were held across Canada in 1999. In Brazil, the Brazilian Institute of Social and Economic Analyses (IBASE) provides training for the delegates and other bodies associated with the institutions of the participatory municipal budgets as well as to members of civil society. They are also called upon to evaluate and provide suggestions for improvements of the participatory budgets of the 100 cities with such processes in place. The Commonwealth Gender Budget Initiative assists with gender analysis and planning skills training to enable government officials to bring a gender perspective to their portfolios.

A recent workshop on rights-based policy advocacy and programming around budgets held in Ghana brought together a number of activists from mainly Africa-based organizations. The workshop was organized by ISODEC (Ghana), Actionaid (Kenya) and IDASA and partially supported by UNDP. The workshop aimed at empowering participants with the framework and tools necessary to map interests involved in budget making, analyse budgets, enhance budget transparency and contest budgetary priorities. The participants also discussed the implications of the HIPC and PRSP for people-centred budgeting.

Sources: Hewitt and Raju 1999; Sucupira and Mello 1999

3. Gender-Sensitive Budget Initiatives

While no policy can be effective without an adequate budget, similarly budgetary battles can only be won if they are waged on the basis of policies and principles underlying them...

Debbie Budlender, Community Agency for Social Enquiry, South Africa

The efforts towards gender-sensitive budgeting reflect a new vision of macroeconomics, which start with the argument that macroeconomic policies—viewed as gender-neutral until recently—are gender-biased in a variety of ways. Budgets as an element of macroeconomic policies have been instrumental in transmitting and reproducing these biases.

While gender-bias in the realm of microeconomics has been recognized for a long time, the work of examining macroeconomics from a gender-aware perspective is relatively new. For example, there have been many microeconomic studies on gender discrimination in labour and credit markets, and work on unequal resource distribution within households. In recent years, a number of economists and activists have argued that gender-bias also operates in the realm of macroeconomics (Cagatay, Elson and Grown 1995; Grown, Elson and Cagatay 2000). For example, since the 1980s, critiques of structural adjustment and macroeconomic policies have demonstrated that the burden of economic crises and costs of adjustment are not gender-neutral; in many instances, the costs are borne disproportionately by poor people, and especially poor women. A recent analysis of the impact of the Asian crisis in the Philippines found that while male unemployment rose more than female unemployment, the crisis forced women to increase their labour force participation—especially in the informal sector—and they also performed longer hours of unpaid work (Lim 2000). Another line of analysis in gender-aware macroeconomics has pursued the relationship between growth patterns and different dimensions of gender inequality. While the relationship between gender inequality and growth is complicated, it is by now well established that some dimensions of gender inequality such as in education and health have adverse effects on the growth rate of an economy (Klasen 1999; Dollar and Gatti 1999). Thus, promoting women's education and women's health serves not only gender equity and poverty reduction goals, but in a number of instances also enhances overall growth.

There are other types of efficiency implications of gender-blind macroeconomics and macroeconomic policies. Traditional macroeconomics focuses on the monetized economy and leaves unpaid domestic work, performed mostly by women, as for example documented in the 1995 Human Development Report, out of the sphere of analysis. First, ignoring unpaid labour understates women's contribution to the economy and to a society's well-being in general. Second, doing so also gives rise to misleading analyses of efficiency, as has been the case with privatization of public services in the name of increased efficiency and enhanced service delivery. Reductions in public expenditures in education or health services, and/or the imposition of user fees for such services, have sometimes resulted in increased work burdens on poor women or a reduction in girls' educational attainment levels. These, in turn, have had adverse effects on not only women's well-being, but also on economic output since the increased work burden on women's time means that they cannot participate in other types of output-enhancing activities. Thus, once again, gender-aware macroeconomic analysis has implications for equity and for the enhancement of output. Gender-sensitive budgeting—such as the Commonwealth Secretariat's Gender Budget Initiative which has incorporated gender analysis into macroeconomic policies since 1996 (box 3)—has been an important entry point for making macroeconomic policies gender-aware.

Although gender-sensitive budget initiatives have been in existence for the last 15 years, they have become more widespread in the aftermath of the Beijing conference. Such budgets were initially referred to as 'women's budgets' or 'women's budget statements'. More recently, they are called 'gender budgets', 'gender-responsive budgets' or 'gender-sensitive budgets', the latter of which is used in this paper. The shift in usage to some degree mirrors the shift from Women in Development (WID) paradigm of the 1970s and 1980s to the Gender and Development (GAD) paradigm in the 1990s. The first approach focuses on 'women' as a disadvantaged or oppressed group, while the latter starts with the viewpoint that women are in many ways disadvantaged, but uses 'gender' as a more explicit relational category of analysis, where 'gender' refers to social relations between women and men.

In terms of budget impact analysis, the use of women as a category would imply assessing the impact of budget allocations on women and girls, whereas the use of gender

as a category implies a breakdown of government expenditures according to their impact on men and women, boys and girls. In practice, even those exercises called 'women's budgets' have actually used the gender lens. The first South African Women's Budget articulates the reason for the use of the expression 'women's budgets' even when the analysis employs the following gender perspective:

“We understand that women’s oppression rises out of a system of gendered social relations which shape women’s (and men’s) position in society. We know that men are sometimes also discriminated against or disadvantaged by these same social relations, and we know also that gender oppression will not be successfully tackled unless we address ourselves to both men and women. Nevertheless, we also want to stress that it is overwhelmingly women who suffer most as a result of asymmetric gender relations.”

(Budlender 1996: 25)

Gender-sensitive budgets are not budgets formulated out specifically for women or for men, but rather they are mostly analyses of actual budgets through a 'gender lens'. They can be thought of as gender-audits of budgets. Their purpose is to examine whether public expenditures are allocated in ways that promote or hinder gender equality with a view towards reprioritizing public resources towards gender-equitable patterns of revenue collection and resource use. In some instances, as in the case of the Filipino experience with budgeting for GAD, they refer to budgeting practices which have actually reprioritized public budgets towards ends that promote women's empowerment and gender equality. Gender-sensitive budgets are important instruments for making governments accountable to women and ensuring that governments live up to the commitments they have made in international conferences and in a variety of policy statements.

Although there are some attempts to examine the revenue side of budgets from a gender perspective, most initiatives focus on the expenditure side. While the purpose of gender-sensitive budget exercises is to promote gender equality and gender mainstreaming in all national as well as local budgets, such initiatives can also promote overall human development, effective use of resources and help reduce poverty. Moreover, gender-sensitive budget exercises often pay attention to poverty issues by giving special attention to the needs of women living in poverty. Pro-poor and gender-

sensitive budgets should be viewed as complementary, as gender inequalities contribute to perpetuation of poverty.

a. Leading by Example in Gender-Sensitive Budgeting: Australia

The first gender-sensitive budget exercise was a government-led initiative carried out in Australia between 1984 and 1996 (although some preliminary 'women's impact statements' had been introduced in the early 1980s). In addition to carrying out the exercise at the federal level, six Australian states and two territories have also implemented 'women's' budgets during the last two decades. Currently the states of Tasmania and the Northern Territory continue to undertake gender-sensitive budget exercises. The Australian case, even though largely abandoned, has been an inspiration to other initiatives such as the Women's Budget Initiative undertaken in South Africa and the Commonwealth Secretariat Gender Budget Initiative (Sharp and Broomhill 1999).

The federal Australian Women's Budget was a comprehensive statement analyzing the government budget, although its focus was by and large confined to analyses of expenditures and not revenues. Within each budget cycle, government departments were asked to produce expenditure analyses for their gender impacts. The Treasury usually published these analyses as official budget papers. The analysis involved separating expenditures into three categories:

- i. Expenditures targeted to groups of men or women, or boys or girls, such as expenditures on women's health or training of specific groups.
- ii. Equal employment opportunity expenditures by government agencies and their employees.
- iii. General budget expenditures to be analysed for their gender impact.

While it is relatively easy to assess the allocation in the first two categories, the real challenge to gender-sensitive budgets lies in the analysis of general expenditures, as most government expenditures fall under this category. A variety of tools have been developed for the analysis of three types of expenditures (Budlender, Sharp and Allen 1998).

In Australia, the analysis of the 1985-86 South Australian women's budget showed that direct allocations specifically targeted to women and girls amounted to less than one percent of allocations. The challenge of focusing on general expenditures helped raise awareness in the bureaucracy about the general expenditures' impact on women even though initially some agencies claimed their policies and budgets were gender-neutral. In fact, the budget statements provided by agencies improved over time. The Australian Women's Budget also helped bring gender issues into economic policy debates in unprecedented ways (Sharp and Broomhill 1999).

The factors that led to the initiation of this exercise in the early 1980s ironically explain its demise, at least in part. The women's budget in Australia was introduced during a period of economic expansion by a social democratic government. Central to this initiative were feminists working on women's issues within the bureaucracy and women promoting gender equality within the state, while civil society involvement was limited. With the advent of a neo-liberal discourse and adoption of economic restructuring in late 1980s and 1990s, the commitment to gender-sensitive budgeting was greatly compromised. Generally neo-liberal economic thinking is at odds with gender-aware macroeconomic analysis and is not conducive to promoting gender equality. One of the lessons of the Australian case is that gender-sensitive budgeting exercises which are not 'owned' widely by civil society groups are vulnerable to ideological shifts within the state. Another lesson from the Australian experiment is that such initiatives must address the larger debates around macroeconomic policy, challenging those policy stances which are not conducive to the promotion of gender equality such as neo-liberal discourse (Sharp and Broomhill 1999). In spite of the demise of gender-sensitive budgets in Australia, this exercise has been 'successful' in that it has inspired activists in other countries. Recently there has been a renewed interest in gender-sensitive budgeting in Australia, ironically because of the way the Australian budget initiative has inspired other such initiatives.

b. Fulfilling Beijing Commitments: Philippines

The experience in the Philippines with gender-sensitive budgeting offers a somewhat different model from the Australian case and it combines advocacy with

budget analysis. Although gender mainstreaming efforts and policies have been in effect in the Philippines since the mid-1980s, there were no definite and reliable funding sources set aside for this purpose. The Gender and Development (GAD) Budget Policy, put into place in 1994, requires government agencies to allocate a minimum of five percent of their total budgets to fund the development, implementation, monitoring and evaluation of gender and development plans. Thus, this policy serves as an enabling tool for government agencies to contribute their fair share in operationalizing the Philippine Plan for Gender Responsive Development, a 30-year plan launched in 1995 for the implementation of the Beijing Platform for Action (Valdeavilla 1999).

The existence of a vibrant women's movement in the Philippines and substantial activism during the preparations for the Beijing Conference has been instrumental in the adoption of this policy, which has also enjoyed the support of the President. The National Commission on the Role of Filipino Women (NCRFW), the national machinery for women's advancement in the Philippines that was mandated to give technical support to government agencies and monitor and report on the accomplishments to Congress, has also played a critical role in formulating this policy. NCRFW has published *Women's Budget: Philippines, 1995-1996*, an analysis of agency allocations in 19 departments of the government.

Initially, challenges to the policy included low compliance on the part of government agencies due to a number of issues such as the need for technical assistance, lack of adequate tools and instruments for gender and development planning; lack of a clear system of monitoring agency performance; and resistance from budget officers. Strategies adopted to address these problems included mass briefings of GAD focal points with budget officers in government agencies, the development of tools to facilitate the implementation of the budget policy, conceptual-clarity sessions among the budget department and the national women's machinery and multi-level checks along critical points in the budgeting process. Performance-based budgeting was introduced in 1999. Those agencies not in compliance stand to lose at least five percent of their funds.

One of the lessons of the Philippines Gender and Development Budget Policy is the role that a vibrant civil society movement can play in the adoption and monitoring of gender-equitable policies, including in the area of budgets. Another lesson is the need to

focus on a result-oriented framework. Such a framework was formulated in order to assess progress towards the implementation of the Beijing Platform for Action. Another issue that emerged is the need to build the technical capacity of the national women's machinery, which became quickly overwhelmed by the initial requests for technical assistance from government agencies. In state colleges and universities, also covered by the policy, the GAD budget is now being used to develop expertise through faculty training, research, curriculum development and outreach programmes. Thus, the policy has been instrumental in raising awareness on gender issues and national capacity building in the area of gender and development as well as in directing national resources towards gender-equitable policies (Valdeavilla 1999).

c. Government and Civil Society in Cooperation: South Africa

Perhaps the best known gender-sensitive budget exercise is South Africa's Women's Budget Initiative (WBI), which has been adapted in a number of countries, especially within southern Africa. A distinguishing characteristic of the South African case is that it contains an outside-government and an inside-government component. The former is the WBI which began in 1995 after the first democratic elections in South Africa as a joint venture between some newly elected parliamentarians and NGOs. In 1997, the government began a parallel initiative, the Pilot Project of the Commonwealth Gender Budget Initiative, by volunteering to participate in the Commonwealth Secretariat's efforts to promote gender-sensitive macroeconomic policies (box 3). The South African Department of Finance leads this component.

The WBI has published analyses of the sectoral budgets of the national government as well as some analyses of provincial budgets. There are four steps in the sectoral analyses (e.g. health and education). The first step is to examine the position of women and men and boys and girls in each sector. WBI usually disaggregates data not only by gender and age, but also by race, location and class. The second step focuses on whether government policies adequately address problems identified in the first step. The third step looks at whether adequate resources have been allocated to implement gender-sensitive policies. The fourth step investigates the effectiveness of the use of

resources in reaching the intended targets and goals (Budlender 1996; Budlender 1997; Budlender 1998; Budlender 1999).

BOX 3
COMMONWEALTH SECRETARIAT GENDER BUDGET INITIATIVE

...a world in which women and men have equal rights and opportunities at all stages of their lives to express their creativity in all fields of human endeavour, and in which women are respected and valued as equal and able partners in establishing values of social justice, equity, democracy and respect for human rights. Within such a framework of values, women and men will work in collaboration and partnership to ensure people-centred sustainable development for all nations...

The Unifying Vision, 1995 Commonwealth Plan of Action on Gender and Development (quoted in Hewitt and Raju 1999: 3).

The Commonwealth Secretariat's Plan of Action on Gender and Development has advocated for the systematic integration of a gender perspective into economic policy-making processes of governments since its inception in 1995. Within the Secretariat, this approach is operationalized mainly through the development of Gender Management Systems (GMS), which is a "comprehensive network of structures, processes and mechanisms to integrate a gender perspective in the mainstream of all government policies, programmes and projects". The Commonwealth Secretariat's Gender Budget Initiative applies this approach to national budgets. The Initiative, which was developed as a result of the Meeting of Commonwealth Ministers Responsible for Women's Affairs held in Trinidad and Tobago in 1996, has been piloted in five countries: Barbados, Fiji, Saint Kitts and Nevis, South Africa and Sri Lanka.

The basic goal of Commonwealth Secretariat Gender-Budget Initiative is to improve the analysis of the effects of budgetary allocations on men and women and to better target expenditures. One unique feature of the Initiative is that the Ministries of Finance coordinate the pilot projects from the outset. This ensures that gender-sensitive analysis is part of macroeconomic formulation and evaluation. As in the case of the South Africa pilot, the process brings together different actors from within and outside the government.

The Gender Budget Initiative influences the policy development process in three general stages: It first attempts to transform the formulation of macro/national economic policy by application of the project tools and methodology through the budget. It then helps the government identify gender biases rooted in, or intensified by, budgetary allocations. Finally, the governments are able to modify the nature and form of sectoral programmes and design corrective measures to eliminate gender gaps and empower disadvantaged groups.

These three stages entail gender-sensitive expenditure reviews and the formulation of a gender-aware budget statement. Creating mechanisms for increased policy dialogue among the ministries of Finance, Economic Planning, Women's Affairs and other ministries is another aspect of the Initiative.

The analytical and methodological framework of the Commonwealth Secretariat Gender-Budget Initiative has focused mainly on the expenditure side of the national budget. The Secretariat is in the process of developing a programme for action to address gender bias in tax systems.

SOURCE: Hewitt and Raju 1999

Even though WBI researchers belong to NGOs, they do not claim to represent the grass-roots population. In order to reach grass-roots activists and a wider spectrum of the citizenry, WBI has also published simplified versions of the Women's Budget volumes as a book called *Money Matters: Women and the Government Budget* (Hurt and Budlender 1998). The book's target audience has at least ten years of education, which means it has

the potential to reach about one-third of South Africa's adult population. More recently, the WBI has focused on developing training modules on budgets, budget-related advocacy and public participation.

One of the main achievements of the South African initiative is the way it has strengthened advocacy around gender equality issues. The main outcome of the government initiative has been the inclusion of studies on gender issues within the sectoral reports tabled on the Budget Day (Budlender 1999). The Minister of Finance's budget speeches have also addressed issues of gender and other types of inequalities. The initiative has also helped empower parliamentarians who wanted to address gender inequality, but whose limited powers with respect to budget decisions precluded them from doing so. Given this reality, the South African case one more time illustrates the need to combine initiatives within the government, especially within the Ministry of Finance, and initiatives that allow the critical engagement of civil society with budgetary processes.

IV. CONCLUSION: LESSONS LEARNED AND FUTURE STEPS

The budget initiatives discussed in this paper offer numerous insights into how macroeconomic policies can be designed with a focus on social content and promote the agenda of ending poverty and gender inequalities. They illustrate that transformatory approaches to economic policies in general, and macroeconomic policies in particular, are possible in countries with diverse social, economic and political conditions.

Participatory approaches to national and sub-national budgeting are the primary vehicles of this transformation which involves both changing the content of policies towards people-centred development and democratizing the process of economic policy-making.

There have been a number of different entry points into people-centred budgeting. As in the case of South Africa, some have taken place in the context of general social transformation towards a more equitable social order. Some have taken place in the context fiscal decentralization and devolution and have focused on making these processes more democratic, as in the case of Porto Allegre. Some, as in the Indian example, have started out as public audits by ordinary citizens focusing on accountability and transparency. Others, as in the case of Australia, have started within governments as a result of feminists' efforts within the state bureaucracy to make the state responsive and accountable to women at the macroeconomic level. Some have engaged finance ministers and prime ministers, others local public officials. Some are relatively new and have been formulated in order to fulfill commitments made at United Nations Conferences, such as the Philippines experience with gender-sensitive budgeting. Others, such as the Porto Allegre and the Australian initiative, have been in the making for more than a decade and have inspired others to take on similar challenges. Some focus on fiscal policy through the lens of poverty or gender and yet others, such as the Canadian example, focus on monetary as well as fiscal policy, interweaving the concerns of gender equality and social equity with poverty and environmental sustainability in a holistic way.

In the midst of such diversity, several commonalities stand out:

- People-centred budgeting experiences reflect civil society and government efforts to bring about new economic policy and governance frameworks.
- Even when initiated by governments, they often take place in the context of larger social movements organized around poverty or gender equality concerns. Their effectiveness depends on the possibilities for forging alliances across groups

- organized around different issues, such as groups fighting poverty, gender and other types of social inequalities or groups fighting for transparency and accountability in general.
- Ownership by civil society organizations and ordinary citizens is crucial for the sustainability of these exercises. A number of initiatives have solicited broad-based participation from citizens and citizens' groups and they have made efforts towards or succeeded in engaging governments at the local or the national levels. At the national level, finance ministries have been a particularly important target for engagement.
 - All these require the existence of democratic spaces in a society; participatory initiatives themselves are acts of enlarging those spaces towards further democratization not only in terms of political rights, but also in terms of economic rights such as the rights of citizens to have universal access to education or health services.
 - People-centred budgeting exercises have required the use of existing analytical tools, information and data in innovative ways and in ways that are accessible to those who do not have technical expertise with budgets. They have also entailed the development of new analytical tools, such as in the area of gender-aware macroeconomic analysis. They have initiated better access to and collection of the information and data necessary for scrutiny of budgets.
 - Finally, in many instances, budget initiatives have sparked a process of social dialogue, which is necessary for the reconciliation of competing and sometimes conflicting demands made by different social groups. They have raised the general awareness of the public on the larger issues of poverty and gender-equity not only at the national level, but also often at the international level.

Progress with people-centred budgets to date and the obstacles they have faced shed light on what further steps might be taken to make these initiatives more effective and widespread. These steps fall into two broad interconnected categories: (a) work on the analytical side for further development of knowledge, analytical and policy tools related to budgetary process and their 'translation' into forms easily accessible by ordinary citizens and (b) work on policy formulation, advocacy and social mobilization around budgetary issues. The two categories are interconnected in the sense that knowledge and analytical tools that remain in the hands of a few experts will not be very useful. Advocacy, without the analytical tools, is likely to be dismissed. In addition, organizing in specific social contexts will require new analyses and adaptation of existing policy tools to that specific context. Thus, social mobilizing inspires the production of new knowledge. Conversely, new knowledge can point to new policies and political action.

(a) Development of knowledge, analysis and tools:

- The analytical linkages between gender inequality and poverty must be further conceptualized, explored and better analysed. Development of analytical tools which show these interlinkages might include formal models and simulation exercises. Such tools can be helpful in the formulation of policies by allowing policy makers and others to assess the impacts of alternative expenditure allocations and revenue collection or taxation schemes on poverty and gender inequalities. Analytical work needs to take into account the distinctions between paid and unpaid work. Sometimes policies that aim to increase efficiency or targeting end up increasing the unpaid work burden of poor people, especially women.
- One major obstacle to the development of analytical policy tools, assessment of impacts and monitoring of policies is lack of appropriate data. This problem is particularly acute in the area of gender-disaggregated data. Thus, there is need for better data collection in general and gender-disaggregation of data in particular.
- Existing budget initiatives tend to emphasize the expenditure side. There is a need for further exploration of the revenue side of people-centred budgeting.
- There is a need for further exploration of the relationship of people-centred budgets to monetary policy, as exemplified in the Canadian AFB.
- There is a need for further exploration of policy implications of international phenomena such as debt, international trade and investment policies for local, regional and national people-centred budgeting both from the revenue and expenditure sides.

(b) Political and Policy Actions:

- Advocacy work around budgets must be inclusive and encourage alliances and dialogue between groups organizing around gender, poverty or transparency and accountability issues.
- Participation in budgetary processes requires capacity building of participants on budgetary issues through the development of popular materials on budgets, training workshops or 'budget schools'. 'Knowledge networking'—including networking via the Internet—is an element of such capacity building.
- There is a need for national and international dialogue and discussion on people-centred budgeting. National Human Development Reports, which have become widespread in recent years, provide one venue for initiating discussion of budgets.

As the examples discussed in this paper highlight, there are many policy contexts for which people-centred budget initiatives can provide useful lessons. These include the formulation of poverty reduction strategies in general and PRSPs in particular, gender

mainstreaming of all policies and programmes and efforts to improve governance practices by increased transparency and accountability.

United Nations Conferences have established international consensus on the kind of social order people around the world aspire to live in. It will be difficult to bring reality closer to this vision without rethinking and transforming the national and international economic policy frameworks and governance practices. People-centred budgets can be an important starting point for transforming these frameworks and policy practices.

WORKS CITED

- Budlender, Debbie. 1996. *The First Women's Budget*. Institute for Democracy in South Africa (IDASA), Cape Town.
- _____. 1997. *The Second Women's Budget*. IDASA, Cape Town.
- _____. 1998. *The Third Women's Budget*. IDASA, Cape Town.
- _____. ed. 1999a. *The Fourth Women's Budget*. IDASA, Cape Town.
- _____. 1999b. "The South African Women's Initiative." Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Budlender, Debbie, and Rhonda Sharp with Kerri Allen. 1998. *How to Do a Gender-Sensitive Budget Analysis: Contemporary Research and Practice*. Commonwealth Secretariat, London.
- Cagatay, Nilufer, Diane Elson and Grown, Caren 1995. "Gender, Adjustment and Macroeconomics." *World Development* 23(11): 1827-1836.
- Canadian Centre for Policy Alternatives and CHO!CES. 1998. *Show Us the Money: The Politics and Process of Alternative Budgets*. Winnipeg: Arbeiter Ring Publishing.
- De Sousa Santos, Boaventura. 1998. "Participatory Budgeting in Porto Alegre: Towards a Redistributive Democracy." *Politics and Society* (26) 4: 461-510.
- Dollar, David, and Robert Gatti. 1999. "Gender Inequality, Income and Growth: Are Good Times Good For Women?" Policy Research Report on Gender and Development. Working Paper Series 1. The World Bank, Washington D.C.
- Dreze, Jean, and Amartya Sen. 1989. *Hunger and Public Action*. Oxford: Clarendon Press. <http://www.reliefnet.org/doc/hpa/hpa0.html#1>.
- Elson, Diane, and Nilufer Cagatay. 2000. "Social Content of Macroeconomic Policies." *World Development* (28)7 (forthcoming).
- Grown, Caren, Diane Elson and Nilufer Cagatay eds. (2000) "Introduction: Growth, Trade, Finance and Gender Inequality." *World Development* (28)7 (forthcoming).
- Hewitt, Guy, and Sabhita Raju. 1999. "Commonwealth Gender Budget Initiative: Progress Report on Pilot Implementation and New Options for Commonwealth Action on Integrating Gender into National Budgetary Processes." Paper

- presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Hurt, Karen, and Debbie Budlender eds. 1998. *Money Matters: Women and The Government Budget*. Institute for Democracy in South Africa, Cape Town.
- Inter-American Development Bank. n. d. "Resource Book on Participation, Section V: Participation Initiatives In Latin America" (on-line publication)
<http://www.iadb.org/exr/english/POLICIES/participate/sec5.htm>.
- IMF and the World Bank. 2000. "Debt Initiative for the Heavily Indebted Poor Countries." <http://www.imf.org/external/np/hipc/hipc.htm#hipc3>.
- Jenkins, Rob, and Anne Marie Goetz. 1999. "Accounts and Accountability: Theoretical Implications of the Right-to-Information Movement in India." *Third World Quarterly* 20(3): 603-622.
- Klasen, Stephan. 1999. "Does Gender Inequality Reduce Growth and Development? Evidence From Cross-Country Regressions." Policy Research Report on Gender and Development. The World Bank, Washington D.C.
- Lim, Joseph. 2000. "The Effect of Globalization and the East Asian Crisis on the Employment of Women and Men: The Philippine Case." *World Development* (28)7 (forthcoming).
- Loxley, John. 1999. "The Alternative Federal Budget in Canada: A New Approach to Fiscal Democracy." Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Mehrotra, Santosh, Jan Vandemoortele and Enrique Delamonica. 2000. *Basic Services for All?* UNICEF Florence: Innocenti Publications.
<http://www.unicef-icdc.org/store/download.cfm/DownloadID=212>.
- Mishra, Neelabh. 2000. "Rural Realities in Rajasthan." *Frontline* (17)5: 4-17
<http://www.frontlineonline.com/fl1705/17050710.htm>.
- Moberg, David. 2000. "Silencing Joseph Stiglitz." *Salon.com*, May 2.
<http://www.salon.com/news/feature/2000/05/02/stiglitz/index.html>.
- Rahman, Atiur, Muhammad A. Quasem, Zulfiqar Ali and Mirza M. Shafiqur Rahman. 1999. "Preparing a Pro-Poor National Budget Using Participatory Tools: Lessons from Bottom-up Initiatives in Bangladesh." Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.

- Raje, Vasundhara. 2000. "Accountable and Transparent Administration" Government of India, Press Information Bureau
<http://pib.nic.in/feature/feyr2000/ffeb2000/f020220001.html>
- Roy, Dunu. 1997. "The Public and the Patwari." *HIMAL Magazine*. May-June.
<http://www.himalmag.com/97jun/feature1.htm>.
- Sharp, Rhonda, and Ray Broomhill 1999. "Australia's Role in the Development of Gender-Sensitive Budgets." Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Social Watch. 2000. *Social Watch Number 4*. Instituto del Tercer Mundo, Montevideo.
- Sucupira, Joao, and Leo Mello. 1999. "The Participatory Budget Process in Brazil." The International Budget Project and IDASA, Cape Town.
- United Nations. 2000. *Review and Appraisal of the Implementation of the Beijing Platform for Action*. ECOSOC (E/CN.6/2000/PC/2). New York.
- UNDP. 1995. *Human Development Report*. New York: Oxford University Press.
- _____. 1999. *Human Development Report*. New York: Oxford University Press.
- _____. 2000. *Overcoming Human Poverty: UNDP Poverty Report 2000*. New York: United Nations Publications.
- UNDP, UNESCO, UNFPA, UNICEF, WHO and the World Bank. 1998. *Implementing the 20/20 Initiative: Achieving Universal Access to Basic Social Services*. New York.
- UNIFEM. 2000. *Progress of the World's Women 2000: UNIFEM Biennial Report*. New York.
- Valdeavilla, Ermelita. 1999. "Making General Appropriations Gender Responsive: The Case of the Philippines." Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Watts, Jonathan. 2000. "Asia Pays the Social Price of Boom and Bust: Tigers turn Tigger to Bounce out of Crisis" *The Guardian*, Manchester, April 4 (online)
- World Bank. 2000. "Overview" in *Poverty Reduction Strategy Sourcebook* (online)
<http://www.worldbank.org/poverty/strategies/srcbook/over0421.pdf>.

ADDITIONAL RESOURCES

- Alexander, Patricia, and Sally Baden. 2000. "Glossary on Macroeconomics from a Gender Perspective," Institute of Development Studies (IDS-BRIDGE) and Deutsche Gesellschaft für Technische Zusammenarbeit.
- Bakker, Isabella, ed. 1994. *The Strategic Silence: Gender and Economic Policy*. London and Ottawa: Zed Books in Association with the North-South Institute.
- Beneria, Lourdes. 1995. "Towards a Greater Integration of Gender in Economics." *World Development* 23(11): 1839-1850.
- Cagatay, Nilufer. 1998. "Gender and Poverty." Social Development and Poverty Elimination Division, Working Paper 5. UNDP, New York.
<http://www.undp.org/poverty/publications/wkpaper>.
- Cagatay, Nilufer. 1998. "Engendering Macroeconomics and Macroeconomic Policies." Social Development and Poverty Elimination Division, Working Paper 6. UNDP, New York. <http://www.undp.org/poverty/publications/wkpaper/>
- Canadian Centre for Policy Alternatives and CHO!CES. 1997. *The Alternative Federal Budget Papers*. Canadian Centre for Policy Alternatives and CHO!CES: A Coalition for Social Justice: Ottawa and Winnipeg.
- _____. 1998. *The Alternative Federal Budget Papers*. Canadian Centre for Policy Alternatives and CHO!CES: A Coalition for Social Justice: Ottawa and Winnipeg.
- _____. 1999. *The Alternative Federal Budget Papers*. Canadian Centre for Policy Alternatives and CHO!CES: A Coalition for Social Justice: Ottawa and Winnipeg.
- _____. 2000. *The Alternative Federal Budget Papers*. Canadian Centre for Policy Alternatives and CHO!CES: A Coalition for Social Justice: Ottawa and Winnipeg. <http://www.policyalternatives.ca/afb/afb99.html>.
- _____. 2000. *Healthy Families: First Things First, Alternative Federal Budget 2000*. Ottawa: Canadian Centre for Policy Alternatives and Winnipeg: CHO!CES: A Coalition for Social Justice
- Center of Concern. 2000. "World Bank-IMF Poverty Reduction Initiative." *News & Notices for IMF and World Bank Watchers* 2 (1), January 2.
<http://www.globalarchitects.org>.

- Commonwealth Secretariat. n. d. *Integrating Gender into National Budgetary Processes: Commonwealth Gender Budget Initiative*. Background Brief. London.
- _____. 1998. *Gender Mainstreaming: Commonwealth Strategies on Politics, Macroeconomics and Human Rights*. London.
- _____. 1999. *Gender Budget Initiative*. Gender Management System Series. London .
- _____. 1999. *Gender Mainstreaming in the Public Service: A Reference Manual for Governments and Other Stakeholders*. Gender Management System Series. London.
- _____. 1999. *Gender Management System Handbook*. Gender Management System Series. London.
- Dalrymple, Kelvin. 1999. "Gender-sensitive Budgeting: The Case of Barbados." Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Elson, Diane. 1997. *Gender-Neutral, Gender-Blind, or Gender-Sensitive Budget?: Changing The Conceptual Framework to Include Women's Empowerment and The Economy of Care*. Commonwealth Secretariat, London.
- _____. 1997. *The Development of Policy Options for Governments to Integrate Gender into National Budgetary Policies and Procedure: Tool 3, Gender-Aware Policy Evaluation of Public Expenditure by Sector*. Commonwealth Secretariat, London.
- _____. 1997. *The Development of Policy Options for Governments to Integrate Gender into National Budgetary Policies and Procedure: Tool 1, Gender-Disaggregated Beneficiary Assessment of Public Service Delivery and Budget Priorities*. Commonwealth Secretariat, London.
- _____. 1997. *The Development of Policy Options for Governments to Integrate Gender into National Budgetary Policies and Procedure: Tool 2, Gender-Disaggregated Public Expenditure Incidence Analysis*. Commonwealth Secretariat, London.
- _____. 1998. "Integrating Gender Issues into National Budgetary Policies and Procedures: Some Policy Options." *Journal of International Development* 10: 929-41.
- _____. 1999. "The Economic, the Political and the Domestic: Businesses States and Households in the Organization of Production." *New Political Economy* 3(2): 189-208.
- Esim, Simel. 2000. "Gender Sensitive Budget Initiatives for Latin America and the Caribbean: A Tool for Improving Accountability and Achieving Effective Policy

- Implementation.” Paper prepared for the Eighth Regional Conference on Women of Latin America and the Caribbean, Lima, 8-10 February.
- European Network on Debt and Development (EURODAD). 1998. “The Heavily Indebted Poor Countries (HIPC) Debt Initiative: Any Impact on Poverty? Uganda, Mozambique and Nicaragua.” Information Sheet, April 1998.
<http://www.oneworld.org/eurodad/>.
- Falk, Stefan, and Isaac Shapiro. 1999. “A Guide to Budget Work: A Systematic Overview of the Different Aspects of Effective Budget Analysis.” The International Budget Project. Center on Budget and Policy Priorities, Washington D.C. <http://www.cbpp.org>.
- Foster, Mick, John Healey, Matthew Martin and Howard White. 1999. “Linking HIPC II Debt Relief with Poverty Reduction and Wider Aid Issues: Some Reflections and Suggestions.” Overseas Development Institute, London .
www.oneworld.org/odi/pppg/cape/papers/hipc.pdf.
- Fozzard, A. 2000. “PRSP SourceBook: Public Spending for Poverty Reduction (Draft).” The World Bank, Washington D.C.
<http://www.worldbank.org/poverty/strategies/sourctoc.htm>.
- Hartmann, Heidi. 1996. *A Feminist Perspective on the Federal Budget: A Summary-A Briefing Paper*. Institute for Women's Policy Research, Washington D.C.
- Healey, John, Mick Foster, Andy Norton and David Booth. 2000. “Towards National Public Expenditure Strategies for Poverty Reduction.” ODI Policy Briefing.
<http://www.oneworld.org/odi/briefing/pov7.html>
- Hewitt, Guy. 1999. “Commonwealth Secretariat's Gender-Sensitive Budget Initiative.” Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Himmelweit, Sue. 1999. “The UK Women's Budget Groups: Trying to Make Macroeconomic Policy More Woman-Friendly and Gender-Aware.” Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Inter-American Development Bank. 2000. “Resource Book on Participation, Section 5: Participation in the Budget and Investment Plan of Porto Alegre, Brazil.”
<http://www.iadb.org/exr/english/POLICIES/participate/index.htm>.
- International Development Fund. 1998. “Distilling the Lessons from the ESAF Reviews.” IMF, Washington D.C.

- IMF and the World Bank. 1999. "Heavily Indebted Poor Countries (HIPC) Initiative Strengthening the link between Debt Relief and Poverty Reduction." <http://www.worldbank.org/poverty/strategies/keydocs.htm#strenght>
- Jayamaha, V. 1999. "Gender-Sensitive Budget Analysis." Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- Klugman, J. 2000. "PRSP Source Book Overview." <http://www.worldbank.org/poverty/strategies/srcbook/over0421.pdf>.
- Lee, Jong-Wha and Changyong Rhee. 1999. "Social Impacts of the Asian Crisis: Policy Challenges and Lessons." Human Development Report Office Occasional Paper 3. UNDP, New York.
- Madörin, Mascha. 1999. "Engendering Budgets in Switzerland: An Analysis of New Initiatives." Paper presented at the UNDP/UNIFEM *Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June.
- National Association of Women and the Law (NAWL). 1998. "Pre-Budget Consultations: 1999 Federal Budget. Tackling the Social-Deficit – Securing Gender Equality." Draft paper submitted to the House of Commons Standing Committee on Finance, Toronto.
- Palmer, Ingrid. 1995. "Public Finance from A Gender Perspective." *World Development* . 23(11).
- Rahman, Atiur ed. 1999. *People's Budget: An Illustrative Exercise Using Participatory Tools. Volume One: Main Text*. A report prepared for Proshika, Dhaka.
- _____. 1999. *People's Budget: An Illustrative Exercise Using Participatory Tools. Volume Two Background Papers*. A report prepared for Proshika, Dhaka.
- Navarro, Zander. 1998. "Participation, Democratizing Practices: Participatory Budgeting in Porto Alegre, Brazil." *Development* (41)3. <http://www.sidint.org/publications/development/vol41/no3/41-3b.htm>
- Oxfam. 1999. "Oxfam International Submission to the Heavily Indebted Poor County (HIPC) Debt Review." International Paper, April. Oxfam, London. <http://www.oxfam.org/advocacy/papers/HIPCreview.htm>.
- Rao, M. Govinda. 1998. "Accommodating Public Expenditure Policies: the Case of Fast Growing Asian Economies." *World Development* 26(4).
- Reeves, Hazel and Heike Wach. 1999. *Women's and Gender Budgets: An Annotated Resource List*. Prepared for the Swedish International Development Cooperation

- Agency (SIDA).” BRIDGE, Institute of Development Studies, Brighton, UK. University of Sussex. <http://www.ids.ac.uk/bridge/budgets.pdf>.
- Sen, Amartya. 1998. “Human Development and Financial Conservatism.” *World Development* 26(4).
- Sen, Gita. 1999. “Gender Mainstreaming in Finance: A Reference Manual for Governments and Other Stakeholders.” Gender Management System Series. Commonwealth Secretariat, London.
- _____. 2000. “Gender Mainstreaming in Finance Ministries.” *World Development* (28)7 (forthcoming).
- Seth, Anuradha. 1999. “Briefing Note on HIPC & Poverty Reduction Strategies Initiative.” UNDP, New York.
- Stiglitz, Joseph. 1998. “Towards New Paradigm for Development: Strategies, Policies and Processes.” Prebisch Lecture. UNCTAD: Geneva
- _____. 2000. “The Insider: What I Learned at the World Economic Crisis.” *New Republic on Line*. <http://www.tnr.com/041700/stiglitz041700.html>.
- Taylor, Vivienne. 1999. *Gender Mainstreaming in Development Planning: A Reference Manual for Governments and Other Stakeholders*. Gender Management System Series. Commonwealth Secretariat, London.
- United Nations. 1995. *Report of the World Summit for Social Development*. (Copenhagen, 6-12 March) UN Document (A/CONF.166/9). New York. <http://www.un.org/esa/socdev/geneva2000/docs/summit.pdf>.
- _____. 1999. *World Survey on the Role of Women in Development*. Division for the Advancement of Women, Department of Economic and Social Affairs, New York.
- UNDP. 1996. *Human Development Report*. New York: Oxford University Press.
- _____. 1997. *Human Development Report*. New York: Oxford University Press.
- _____. 1998. *Overcoming Human Poverty: UNDP Poverty Report 1998*. United Nations Publications: New York.
- _____. 1999. “Debt and Sustainable Human Development.” New York.
- _____. 1999. *Report of the UNDP/UNIFEM Workshop on Pro-Poor, Gender- and Environment -Sensitive Budgets*, New York, 28-30 June UNDP: New York. <http://www.undp.org/poverty/>.

UNIFEM. 1998. *Engendering Budgets: The Southern African Experience*. Report of a UNIFEM Regional Workshop Harare, Zimbabwe, 9-10 November 1998

van de Walle, Dominique. 1998. "Assessing the Welfare Impacts of Public Spending." *World Development* 26(3).

World Bank 1999. "Building Poverty Reduction Strategies in Developing Countries." Washington D.C. <http://www.worldbank.org/poverty/strategies/index.htm>.