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Gender-sensitive budget in the agricultural sector of Ukraine

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Abstract. *The purpose* of the scientific article is to create a holistic vision of the need to use a gender-sensitive approach and the formation of a gender-oriented budget in financing the agricultural sector of Ukraine's economy. *Methods.* The research methods used in writing the article involve the use of general scientific techniques of economics and methods of theoretical generalization based on a systematic approach. In addition, general research methods such as comparisons and observations were used. *Results.* The model of medium-term budget planning envisages the introduction of a gender-oriented approach to the budget process. This is one of the requirements of the Public Financial Management System Reform Strategy. Integration of a gender-oriented approach into the budget process will increase the efficiency and quality of public services provided, subject to the needs of social groups, including gender-based ones, and strengthen the accountability of the budget managers. Gender-oriented budgeting is not only a technical issue – it implies fundamental changes to budget making and public finance management systems, some of which are cultural in nature. Gender budgeting is a way for governments to promote equality through the budget process. It is an influential element of management activities related to the development of budgets at various levels, that provides important information to professionals who decide on the allocation of budget funds. *Practical meaning.* The issue of gender budgeting in today's environment is extremely relevant, as this approach ensures gender equality by allocating available resources to the real needs of men and women, which increases the efficiency of public financial management. Since women and men perform different social roles, their daily tasks, their strategic and practical needs, their priorities may differ. Gender-sensitive analysis of budgets and gender responsive budget processes will allow taking account of a wide range of issues addressing these differences and thus provides a basis for realizing equal opportunities and equality in outcomes for women and men society and ensure its sustainable development. *Prospects for further research.* The use of gender-oriented budgeting draws attention to the gender policy issues, while gender analysis gives more detailed information on the distribution of resources and on the impact of public policy and public expenditures thereon. This provides a stronger evidence base for decision-making and, therefore, promotes more efficient use of public funds.

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Гендерно-чутливий бюджет в аграрному секторі економіки України

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Анотація. Метою наукової статті є створення цілісного бачення необхідності використання гендерно-чутливого підходу в системі бюджетного фінансування аграрного сектору. *Методи.* Методи дослідження, використані при написанні статті, передбачають використання загальнонаукових та емпіричних прийомів економіки, заснованих на системному підході. Крім того, використовувались загальні методи дослідження, такі як узагальнення та порівняння. *Результати.* Модель середньострокового бюджетного планування передбачає запровадження гендерно-орієнтованого підходу до бюджетного процесу. Ця вимога міститься у Стратегії реформування системи управління державними фінансами. Інтеграція гендерно-орієнтованого підходу у бюджетний процес забезпечить підвищення ефективності та якості наданих державних послуг з урахуванням потреб соціальних груп, у тому числі за гендерною ознакою, дозволить посилити підзвітність розпорядників бюджетних коштів. Гендерно орієнтоване бюджетування – це не лише технічне питання – воно передбачає фундаментальні зміни у формуванні бюджету та системі управління державними фінансами, а деякі з яких мають культурний характер. Це спосіб урядів сприяти рівності через бюджетний процес. Він виступає впливовим елементом управлінської діяльності, пов'язаний із розробкою бюджетів різних рівнів, що надає важливу інформацію фахівцям, які приймають рішення щодо розподілу бюджетних коштів. *Практичне значення.* Питання гендерного бюджетування в сучасних умовах є надзвичайно актуальним, оскільки даний підхід забезпечує гендерну рівність шляхом розподілу наявних ресурсів з урахуванням реальних потреб чоловіків і жінок, що підвищує ефективність системи управління державними фінансами. Оскільки жінки та чоловіки виконують різні соціальні ролі, щоденні завдання, стратегічні та практичні потреби, їхні пріоритети можуть відрізнятись. Гендерно-чутливий аналіз бюджетів та гендерно-чутливих бюджетних процесів дозволить врахувати широке коло питань, що стосуються цих розбіжностей, і таким чином забезпечує основу для реалізації рівних можливостей і рівності у результатах для жінок і чоловіків та забезпечення його сталого розвитку. *Перспективи подальших досліджень.* Застосування гендерно-орієнтованого бюджетування привертає увагу до проблем гендерної політики, а гендерний аналіз дозволяє отримати детальнішу інформацію про розподіл ресурсів та про вплив на них державної політики й державних видатків. Це забезпечує створення потужнішої доказової бази для прийняття рішень і, отже, сприяє ефективнішому використанню державних коштів.

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Ключові слова: гендерно-орієнтоване бюджетування, бюджетний процес, аграрний сектор, середньострокове бюджетне планування.

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1. Introduction.

The development of a gender-oriented budget makes it possible to trace the impact of state budget revenues and expenditures on the socio-economic situation and opportunities of different groups of women and men, as well as on aspects of equality between women and men in the country. As a management tool, gender-oriented budgeting helps to assess how and to what extent public policy on budget allocation affects women and men as consumers of services, infrastructure users and taxpayers. (Lobodina, 2020, p. 34).

2. Literature review.

Various problems of budgetary and economic policy formation involving gender component were highlighted in diverse scientific works by K. Romenska (2020), I. Aghasiev, N. Pavlikha and N. Riabushenko (2018), T. Koliada (2019). Special mention should be made of scientific works on the application of gender-oriented budgeting, which have become the basis for scientific understanding of the subject of research, of such scientists as: T. Ivanina (2018), S. Danylenko, K. Lubynefs, G. Tereshchenko and O. Chernyuk (2018).

3. Methodology.

The research methods used in writing the article involve the use of general scientific and empirical techniques of economics, based on a systematic approach. In addition, general research methods such as generalization and comparison were used.

4. Research objectives.

The purpose of the article is to create a holistic vision of the need to use a gender-sensitive approach in the system of budget financing of the agricultural sector.

5. Results and discussions.

Based on the Strategy for reforming the public financial management system for 2017–2020 (Cabinet of Ministers of Ukraine, 2017), optimization of budget programs, areas of use

of budget funds and their performance should be based on the strategic goals of the main budget funds managers and types of public services. The system of performance indicators should be improved to clearly reflect the level of achievement of strategic goals and benefits for the recipients of public services, including through the introduction of a gender-oriented approach. Gender budgeting contributes to improving the quality of services for the population, increasing the pace of economic development, efficient use of available resources (Ivanina, 2018, p. 53)

The targets of the gender-oriented budgeting include (Klatzer, Ivanina, Kisseleva, Bosnic and Davlikanova, 2017):

- improving the national action plans on gender equality so that they set targets and means of funding and implementation mechanisms that would be compliant with the national planning and budgeting processes;
- strengthening the capacity and accountability of the national governments to meet their gender equality commitments and to take into account the women's priorities in the national planning, budgeting and programming systems;
- strengthening the capacity and accountability of donors and participants in coordination mechanisms to meet gender equality commitments in stable and vulnerable countries.

The main basis for the introduction of gender budgeting in the budget process is the presence of an element of development strategy – program-target method of budgeting and execution (Romenska, 2020). Gender-oriented budgeting also occupies an important place in the budget process (Figure 1).

The principle of gender-oriented budgeting is present at all stages of the budget process. At the budgeting stage, it is represented by the goals of gender equality and compliance, which are included into the budget instruments. The impact of the budget on gender equality is

clearly defined in the budget instruments discussed by the Verkhovna Rada of Ukraine – the stage of budget adoption. Budget accomplishment stage envisages effective gender-oriented budget execution and program implementation.

Determination of major gender gaps and

their impact on the budget execution is expressed in the budget accomplishment reports. The application of the principle of gender-oriented budgeting in the budget process involves increasing the efficiency and effectiveness of budget expenditures (*Figure 2*).

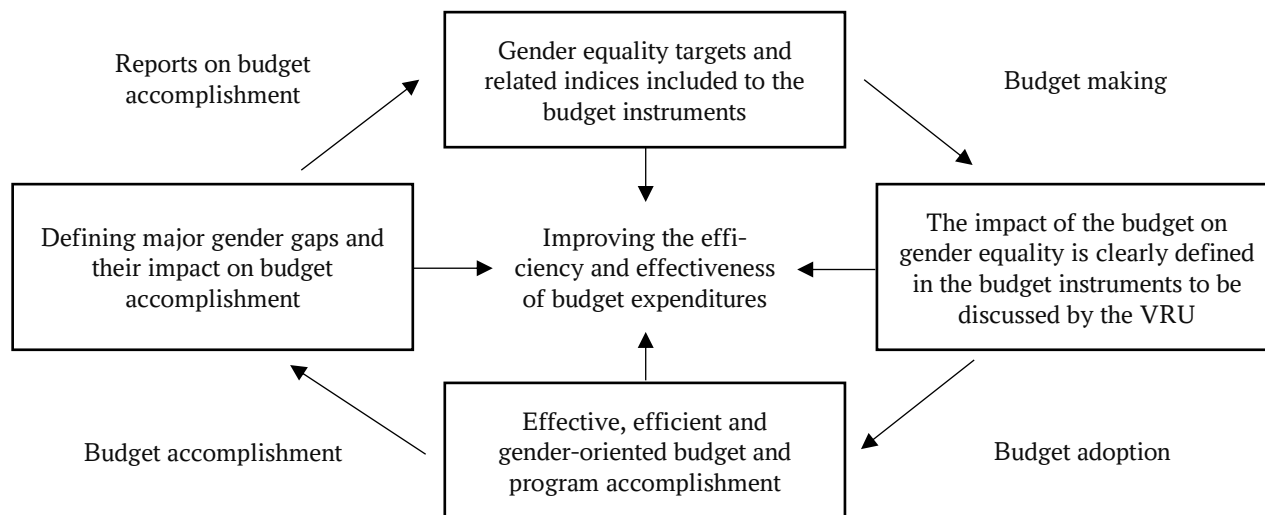


Fig. 1. Gender-oriented budgeting in the budget process

Source: (Ministry of Finance of Ukraine, 2016)

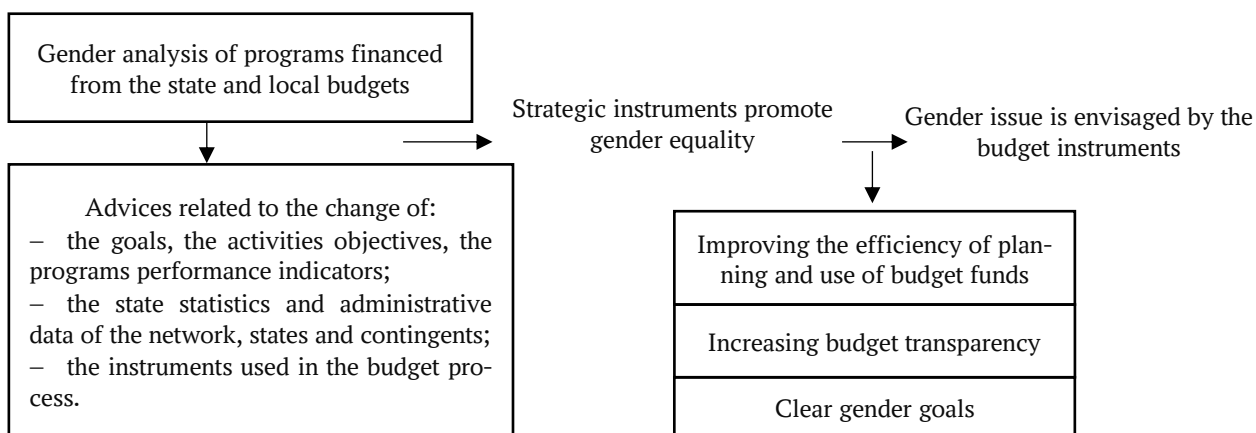


Fig. 2. The approach of gender-oriented budgeting

Source: (Ministry of Finance of Ukraine, 2016)

Gender sensitivity of the budget means the gender issue at all stages of the budget cycle. Given that women and men perform different social roles, daily tasks, strategic and practical needs, their priorities may differ. Gender-sensitive analysis of budgets and gender-sensitive budget processes takes into account a wide range of issues related to these differences, and thus provides a basis for equal opportunities and equality in the outcomes for

men and women and ensures its sustainable development (*Figure 3*).

The Ministry of Finance of Ukraine has adopted the “Guidelines for the implementation and use of gender response to the budget process” (Ministry of Finance of Ukraine, 2019) for all major budget managers, and advises to implement a gender approach in the budget process in the following sequence (*Figure 4*).

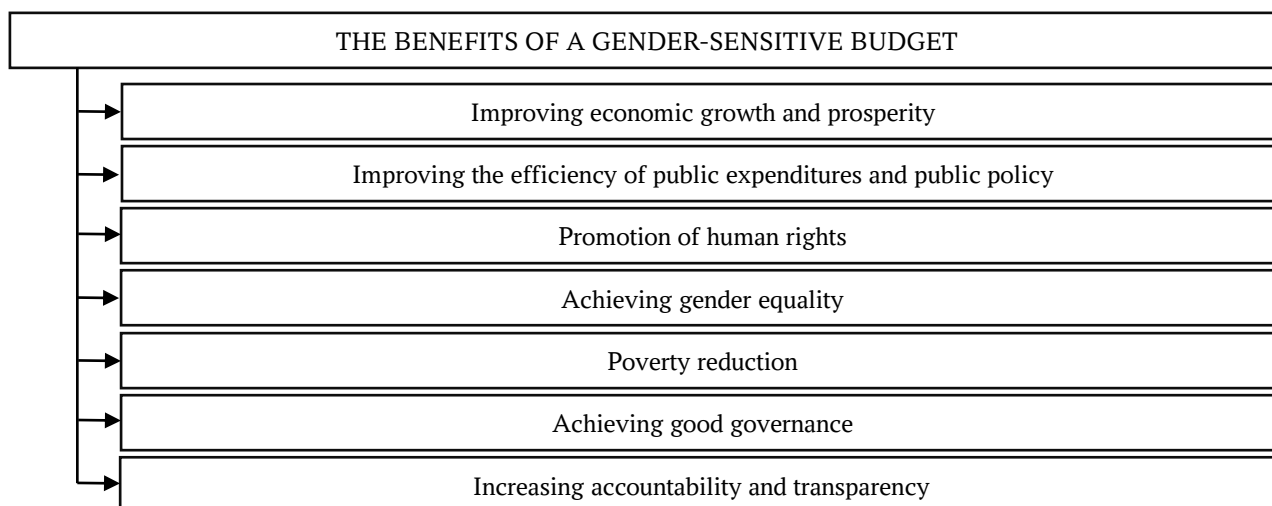


Fig. 3. Why gender budgeting is important? The benefits of gender sensitive budget

Source: Formed by the author on the basis of (Koliada, 2019, p. 84)

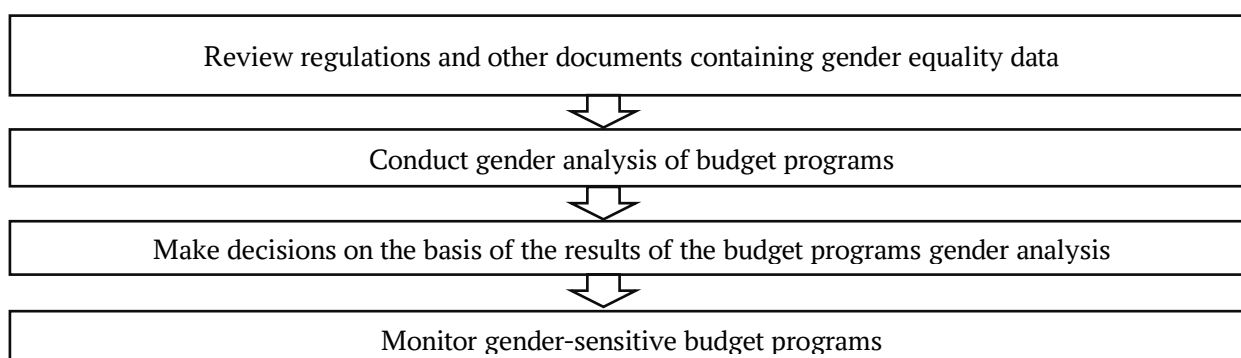


Fig. 4. The consistency of gender mainstreaming in the budget process at the level of the budget funds managers

Source: Drawn up by the author on the basis of (Ministry of Finance of Ukraine, 2019).

Gender-sensitive budget program is a budget program that addresses the gender issue and contains quantitative and qualitative characteristics to ensure gender equality i.e., reducing gender gaps, eliminating gender discrimination and mitigating negative trends or strengthening positive trends in the relevant field in terms of meeting gender needs and gender interests. The lead fund manager should seek to consider the gender issue in determining the scope and quality of all public services provided under the budget program.

As part of the review of the state budget expenditures in the agro-industrial complex in terms of the financial support for measures in the agro-industrial complex by decreasing the cost of loans, they've conducted a gender

analysis of the budget program KPKVK 2801030 "Financial support of measures in the agro-industrial complex by decreasing the cost of loans" as concerns the receipt by the agro-industry economic entities in 2018 of the state financial support and the number of tender commissions to determine the list of borrowers to be provided with the aforesaid financial support.

The basis of this gender analysis was the data: a) from 24 regions on receiving in 2018 of the state financial support by agro-industrial entities headed by men and women; b) on the amount of compensation; c) on the distribution of financial support by regions; d) on the quantitative composition of tender commission to determine the list of borrowers of the agro-

industrial complex to be provided with the financial support by decreasing the cost of loans from the state budget.

The findings of the gender analysis revealed such gender gaps as limited access of women who head agro-industrial enterprises to the state financial support; women receive much less public financial support than men. There was also an uneven distribution of financial support by regions.

In particular, the findings of the gender analysis of the budget program included as follows (The Ministry of Agrarian Policy and Food of Ukraine):

- in total, in 24 regions of Ukraine, among 719 agribusiness entities that received the state financial support in 2018, 74 enterprises are headed by women (10.3%) and 645 enterprises are headed by men (89.7%). The gender gap was almost 80%.

- out of the total number of 546 (76%) agribusiness entities that used short-term loans, the number of agro-industrial entities headed by women was 61 (11%); the number of men is 485 (89%). The gender gap was 78%.

- out of the total number of 265 (37%) agro-economic entities that used medium-term loans, the number of agro-industrial entities

headed by women was 29 (11%); the number of men is 236 (89%). The gender gap in this indicator was 78%.

- the amount of compensation for short-term loans amounted to UAH 15,915.64 thousand (7.5%) for agro-industrial entities headed by women and UAH 195,157.50 thousand (92.5%) for agro-industrial entities headed by men. The gender gap in the volume of short-term loans is 85%.

- the amount of compensation for medium-term loans amounted to UAH 6,526.03 thousand (12%) for business entities headed by women and to UAH 48,313.78 thousand (88%) for agro-industrial entities headed by men. The gender gap in the volume of short-term loans is 76%.

In order to conduct a more in-depth gender analysis and determine the gender impact on the results of financial support by decreasing the cost of loans from the state budget to agro-industrial borrowers, it is needed to conduct additional analytical and research activities and obtain additional data.

Specific steps for key budget managers on gender budget sensitivity in the agricultural and food sectors are as follows (*Figure 5*).

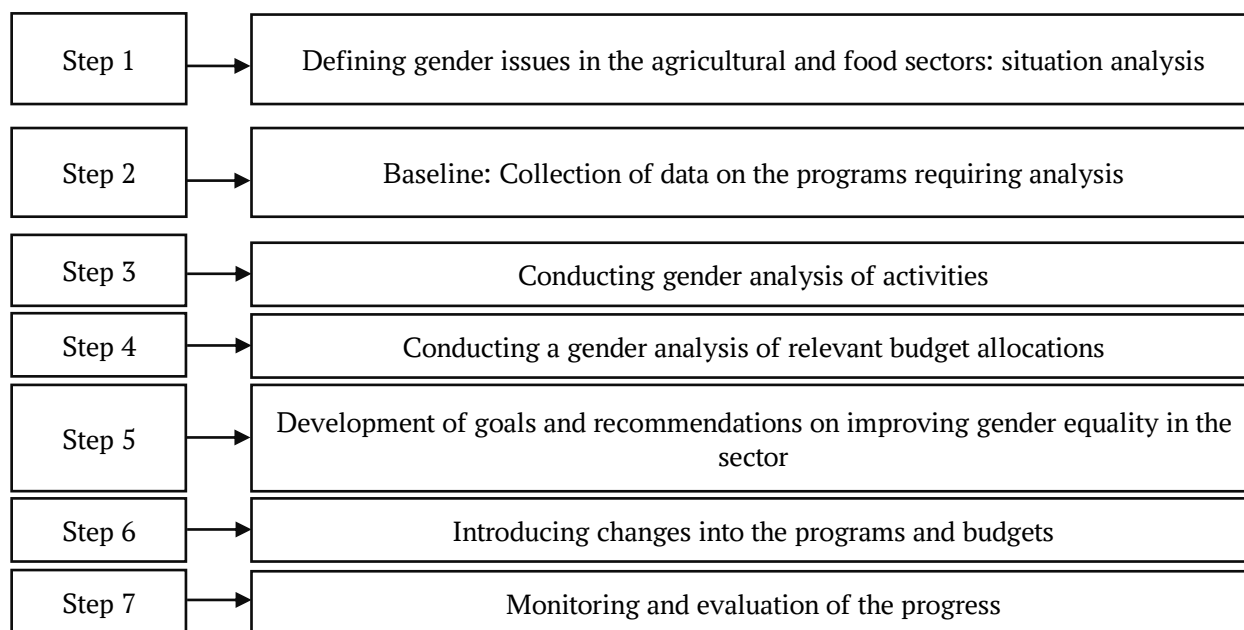


Fig. 5. Steps for key budget managers on gender budget sensitivity

Source: Drawn up by the author.

And it would be expedient to include gender-oriented indicators into the budget programs for the next budget periods (Figure 6).

The development of gender-oriented budget allows us to see how budget revenues and expenditures affect the socio-economic situation and opportunities of men and women, as well as the aspects of equality between

women and men in the country. Gender-oriented budgeting improves public finance processes and tools by providing the necessary information on products and results, which contributes to the effective management and decision-making on public resources planning and allocation at all levels. (Klatzer, Ivanina, Kisseleva, Bosnic and Davlikanova, 2017).

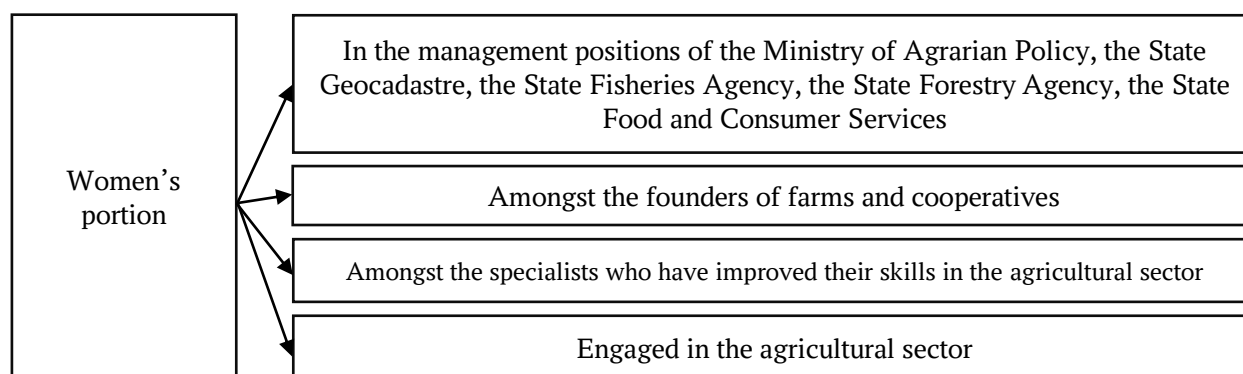


Fig. 6. Potential gender-oriented indicators for budget programs

Source: Drawn up by the author.

6. Conclusions.

For some programs of the relevant ministry, it is appropriate to apply a gender-oriented approach. Thereat, one can use the following specific steps: identifying gender issues in the agricultural and food sectors: situation analysis; collecting data on the programs to be analyzed; conducting gender analysis of activities; conducting gender analysis of relevant budget allocations; development of

goals and recommendations to improve gender equality in the sector; making changes to the programs and budgets; monitoring and evaluation of progress. This will help to identify in the relevant budget instruments the focus on gender equality and will allow considering the needs and characteristics of different gender groups when planning budget expenditures.

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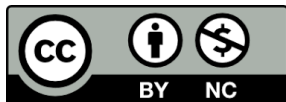
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