

## **Efficacy of Gender Budgeting in Reducing Gender Inequality: A Panel Study in Asia-Pacific Countries**

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*Gender budgeting is a fiscal policy measure that seeks to use a country's national and/or local budget(s) to reduce inequality and promote economic growth and equitable development. While literature has explored the connection between reducing gender inequality and achieving growth and equitable development, more empirical analysis is needed to determine whether gender budgeting really curbs gender inequality. This study follows the methodology of Stotsky and Zaman (2016) to investigate across Asia-Pacific countries the impact of gender budgeting on promoting gender equality, and also increasing fiscal spending on health and education. It classifies Asia-Pacific countries as 'gender budgeting' or 'non-gender budgeting' according to whether they have formalized gender budgeting initiatives in laws and/or budget call circulars. To measure the effect of gender budgeting on reducing inequality, we measure the correlation between gender budgeting and the Gender Development Index (GDI) and Gender Inequality Index (GII) scores in each country. The data for gender inequality variables are mainly drawn from the IMF Database on gender indicators and the World Development Indicators database over 1990-2013. Result shows that gender budgeting has significant effect on increasing GDI and small but significant potential to reduce GII. These results strengthen the rationale for employing gender budgeting to promote inclusive development. However, the results show no prioritization for gender budgeting in the fiscal space of health and education sectors in the region.*

### **I Introduction**

Gender budgeting is a fiscal policy measure that seeks to use a country's national and/or local budget(s) as a tool to resolve societal gender inequality and promote inclusive development. Gender budgeting does not involve the creation of separate budgets for men and women. Instead, it involves studying a budget's differing impacts on men and women so as to set new allocations and revenue policies to promote greater efficiency and equity as regards gender equality (Chinkin 2001, Stotsky 2016). Ideally, gender budgeting is an approach to fiscal policies and administration that translates gender-related commitments into fiscal commitments through identified processes, resources and institutional

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