

Review and discussion on the Palestinian National Budget -2014
from a gender perspective

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Justification and goal

Years ago, the Palestinian government agreed to merge gender in the general budget for which a national committee was formed. Hence, MIFTAH is carrying out a program in line with this vision through promoting social dialogue and influence on public policies, first and foremost in terms of financial policies.

In light of the efforts put forth by the Palestinian government and its partners over the years in this regard, it is now necessary to shift transformational efforts from conventional and neutral patterns regarding the budget into a gender-responsive pattern.

in this context, a discussion session was held to assess the 2014 budget from a gender perspective on 27/6/2014 in which the first report prepared by expert Dr. Nasser Abdel Kareem was presented and discussed. This was followed by a speech by Mr. Fareed Ghannam, director general of budget in the Ministry of Finance, after which the participants shared their input and questions.

The report showcases the most significant findings about the budget and proposes a number of necessary recommendations to transform it into a more gender-responsive budget.

What is a gender-responsive budget?

Identifying and understanding the needs of each gender (male and female) separately.

Formulating plans, policies and programs that respond to the needs of each gender

Achieving the fair distribution of the available financial resources according to the needs, expectations and aspirations of each gender through reprioritizing expenditures in order to reach a state of parity and fairness on a gender basis.

However, gender budgets do not mean:

Preparing a separate budget for males and females

Equal distribution (50:50) of financial resources between males and females

Allocating resources only for females except in certain cases (positive discrimination)

What are the avenues for preparing a gender-responsive budget?

Public expenditures, which is the most common type

Public revenues, however there is still not one country that has succeeded in using this type of avenue completely.

Assessment of the scope of benefit reaped by beneficiaries from gender-based government services. This avenue depends on polling and analyzing the viewpoints of men and women who are either current beneficiaries or potential ones from government services, in order to get to know how much the programs responded to their needs and priorities.

Analyzing expenditures from a gender perspective

Starting point: Review of policies, plans and programs to ensure they are gender-integrated. It is very difficult to talk about a gender-responsive budget when neutral or conventional plans and programs are being employed.

Analysis of expenditure allocations earmarked in the budget for each article separately in order to ensure that they take needs into consideration on a gender basis, with the following note:

Not each article of expenditure has the same level of sensitivity and flexibility to gender needs. For example, the article on salaries and job privileges has a higher level of sensitivity than other articles such as equality in appointment and promotion opportunities.

In second place in terms of gender sensitivity is transferable expenditures that target poor families or those financed by women.

Developmental expenditures comes in third place on the gender sensitive scale. These include projects based on priorities of social sectors and perhaps an adoption of a positive discrimination policy towards women's needs.

There are expenditures that are difficult to direct or analyze on a gender basis including some operational expenditures such as rent and service bills.

There are internal expenditures from which public servants benefit from (salaries, privileges) and external expenditures aimed at providing specific services to citizens.

Analysis of revenues from a gender perspective

In general, the task of directing and analyzing revenues from a gender perspective is more difficult than for expenditures. One of the most important tools used in ‘gender-orienting’ revenues is the tax policy.

Understanding and analyzing direct taxes such as income and property tax.

Understanding and analyzing indirect taxes such as the value-added tax and customs.

Gender is responded to better through direct taxes.

Tax benefit can be granted to income from activities usually practiced by women such as cooperative agriculture, handicrafts and pioneering initiatives. Also, larger exemptions can be granted to limited-income families or those headed by women.

As for the value-added tax and customs, a support policy can be applied directed at certain basic commodities in the consumer basket, especially when it is not possible to differentiate in rates of this kind of tax, like in the case of Palestine, which is linked to the united customs envelope with Israel according to the Paris Protocol .

Obstacles to reaching a gender-responsive budget

Culture and traditions that are generally biased towards the interests and rights of men at the expense of women.

Weakness in the organizational and institutional structure of government budgets.

Weakness in the technical expertise of those in charge of preparing, analyzing and assessing budgets, whether in the government, from monitoring parties or civil society institutions.

Weakness in the link between planning and the actual budget in both its running and development aspects.

The unsuitability of the budget forms used to prepare gender budgets and to conduct a useful analysis of its possible dimensions and affects.

Lack of data and statistics on a gender basis whether in regards to the overall and sector-oriented economic and social conditions or to the programs and projects in the budgets.

The low level of social participation in preparing the budgets and monitoring their implementation. This is applicable to many countries in terms of the people’s representatives (members of legislative councils and parliaments).

Characteristics of the Palestinian budget environment

The overall environment in the Palestinian Authority territories may not be a developmental environment or one conducive to reforming the budget on a gender basis.

Developing the Palestinian budget requires a high political will for reform and change, something which may not be quite available yet.

A weakness in the interest of senior officials and PA ministries towards the issue of budgets in general and a weakness in their awareness of their importance on the one hand, and their lack of sufficient knowhow on the technical aspects of managing them, on the other. This is in addition to the lack of conviction among many of these officials towards the concept and application of a gender budget. There is also confusion among many of them over the meaning and implications of the concept of gender in principle.

There are structural and technical problems in the Palestinian budgetary system that hinder it from transforming into developmental and unconventional budgets. The limited interest of political parties and participation from civil society institutions obstructs the process of development for budgets.

The current nature of expenditures in the general budget and the weakness in its flexibility renders the task of making it more developmental much harder.

The sector-based, specialized and comprehensive database available may not currently be enough to transform the Palestinian budget into one that is more responsive to the priorities and challenges of development in Palestine, in particular in terms of gender .

The legal and regulatory framework for the Palestinian budget

The No. 7 law for budget regulation of 1998 is what governs the budgeting process at all its stages.

The financial system of 2005 and its amendments of 2010 are what determine the spending and accounting procedures, preparing the financial reports and monitoring the implementation of the budget.

The central and unified government accounting system documents, registers and summarizes the enacted financial transactions and produces the financial reports and its results.

The transformation to a program and performance-based budget was approved by the Cabinet in 2010 preceded by its transformation to a gender-responsive budget.

Evaluation of the 2014 budget from a gender perspective

General comments

At the procedural level, the government did not abide by any of the stipulated dates in the budget regulation law during the better part of the last 10 years.

In its development context and implications, the Palestinian budget remained an article-based budget in spite of efforts to turn it into a program and performance-based budget or a gender-responsive budget.

The level of government commitment to most of the spending allocations earmarked in the budget was not high. More often than most, there have been substantial discrepancies between the estimated and actual numbers in the budget.

The executive authority monopolized most if not all of the powers related to managing the budget in light of the defunct PLC, the weakness of political forces and the dispersion of civil society efforts.

The Palestinian budget remains conventional and neutral towards development issues in general and towards gender in particular. Neither the expenditure structure or revenues reflect any attempt to transform the budget from a traditional modality to a gender-responsive one.

There is still little interest in the subject of budgets at the higher management level in ministries and budgets are still handled by the financial administrations and not by their policy-makers.

There is still a lack of a clear methodological link between the planning process and administrating among most centers of responsibility in the PA.

Revenues policy

Continuing structural defect in the PA's personal revenues, represented in the following:

Most revenues come from indirect taxes on the consumption of commodities and services (over 90% of overall taxes) at the expense of income and wealth tax.

This shows there is "no justice" in the PA's tax policy. Furthermore, this structural defect in the tax system makes the task of gender-orienting revenues a difficult, if not impossible one. The reason is because indirect taxes do not distinguish between taxpayers on a gender basis or on the basis of the level of economic marginalization, given that they are imposed uniformly on all commodities regardless of their importance to the various social sectors.

Over two-thirds of these revenues are in a state of uncertainty and are dependent on the political and security mood of the Israelis, especially if they are calculated on a cash-basis. This begs an important question on the financial sustainability of the PA.

There is nothing to indicate any progress at the level of restructuring the revenue policy to become more gender-responsive. This is a natural and expected outcome of the continued structural defect in the tax system, like mentioned previously.

In order to make revenues fairer and more gender-responsive, there must be a core change in the tax policy whereby the income tax is escalatory and more discriminatory on the basis of income and wealth levels. Customs and VAT will be differentiated on the basis of the significance of the commodity and services in the consumer basket least fortunate in society.

Because a change in the Palestinian tax policy seems unlikely in the current circumstances, the next best method to initiate the transformation of the Palestinian budget into a gender-responsive one is through public expenditures.

Expenditure policy

Public expenditures have increased over the past years at a faster rate than revenues.

The goal of rationalizing public expenditures and restructuring them in favor of social and economic justice has not yet happened regardless of the reasons why. Alleviation of unemployment and poverty rates along with the needs of marginalized sectors does not seem to be progressing in a systematic and calculated fashion.

There has been no mentionable change to the structure of public expenditures; these expenditures have remained running costs mostly and static (inflexible) in their distribution. It seems that they are still based on articles in spite of the decision to adopt a budget that is program and performance-based.

Furthermore, sectoral distribution of these expenditures has not differed much over the years. Shares of the economic sector from these expenditures are still less than 5% (most of which are running and not developmental costs). The agricultural sector also gets less than 1% while the governance sector – particularly the security sector – receives a share of 45% and the social sector, 46%.

The policy of appointments and promotions in public posts has also not changed over the years, neither in terms of numbers nor methodology. This further distorted spending costs in favor of salaries (around two-thirds of public expenditures) at the expense of directed development spending.

The developmental budget decreased largely in recent years (less than 8% of the general budget). Moreover, it seems separate from the running budget and is completely funded by international assistance, which may not coincide in its priorities and goals with the national vision and interest.

The expenditure policy has remained systematically gender-unresponsive even if in some ministries financial resources there are some semi-gender-responsive allocations, but which are for objective reasons and not because of any adoption of a deliberate methodology. For example, the expenditures in ministries such as education and health may be distributed on a gender basis that is fairer than others, but this is attributed to the nature of the positions and to the staff structure in them.

In spite of the equal number of male and female employees in these ministries and in spite of the parity in receiving the services of these ministries by individuals in the society, this does not negate the fact there is discrimination in favor of males in the distribution of wages, especially since most senior administrative positions go to men including the privileges that come with these posts.

The starting point for rectifying this defect lies in adopting a fair and equal policy of appointments and promotions based on qualifications and expertise and not on personal or male-oriented standards. It should be noted here that the start to implementing such a policy will no doubt gradually and accumulatively contribute to a fairer distribution of salaries and privileges on a gender basis until reaching a final and comprehensive state of justness and fairness. Since most of the Palestinians' budget goes to paying salaries, gender-orienting these salaries will lead to most budgets becoming more gender-responsive.

Executive recommendations (a roadmap)

MIFTAH, in coordination with the Ministry of Women's Affairs, will adopt an initiative aimed at preparing a guidebook or reference for the foundations and procedures for integrating gender in the plans, policies and programs of ministries. This document must be ratified by the Cabinet and an official decree that would make it binding for all government parties. Without such a document, the process of gender-orienting government plans and policies will remain selective and disunited. Furthermore, such a document will serve the purpose of evaluating and scrutinizing these plans in terms of their level of responsiveness to gender, whether by the Ministry of Planning or by other relevant parties in civil society.

Based on this document, MIFTAH, in coordination with the Ministry of Women's Affairs and the Ministry of Planning, will review the plans, policies and programs of vital ministries to ensure that they are gender-responsive. There can be no discussion of a gender-responsive budget if there are no gender-responsive plans and policies. The budget is one of the most important digital outputs of plans and policies, so as long as plans and policies remain neutral, so will the budget regardless of the technical efforts made in this regard.

Upon a circular from the Ministry of Women's Affairs, all official ministries will adopt a gender team or revive its gender unit; the coordinator of the team or head of the unit will be an active member of the budget committee. The tasks of this team will include ensuring that the ministry's plan and policies are gender-responsive in accordance with the stipulations of the reference

guide. Another task includes developing a database in each ministry categorized on a gender basis.

The Ministry of Finance will amend the budget's notifications and forms so they respond to the requirements for merging gender into the budget.

The need to design and implement training programs for senior officials in the ministries at the level of deputy ministers, directors and employees in charge of planning and gender, to raise their awareness first about budgets and second about making them gender-responsive.

It is preferable that these programs are carried out in partnership between the finance, women's affairs and planning ministries; designing and implementing these programs should be carried out in coordination and partnership between MIFTAH, the national gender budget team headed by the women's affairs ministry, and the finance ministry.

Finally, the principle of gradual progression must be stressed in the transformation into a gender-responsive budget. One or more ministries are chosen according to their importance (such as the education and health ministries) to serve as a prototype for preparing a GRB. It may also be useful to work on one program in both these ministries and prepare their budgets on a gender basis, thus moving from one ministry to another, or from one program to another until the transformation into a gender-responsive budget is completed.