

<https://doi.org/10.29013/ESR-21-7.8-48-53>

*Kokashvili Nanuli,
PhD in Economics, Associate Professor
Gori State University*

*Vanishvili Merab,
Georgian Technical University,
PhD in Economics, Professor,*

*Osadze Lali,
PhD in Economics, Associate Professor
Gori State University*

METHODICAL FOUNDATIONS AND CHALLENGES OF GENDER BUDGETING IN GEORGIA

Abstract. On the basis of the latest literary sources and rich factual information, the present scientific article refers to the consistent discussion of such topical issues of the financial theory and practice as methodical foundations and challenges of gender budgeting in Georgia.

Based on the current legislative guidelines in Georgia, considering the gender aspect is discussed as one of the components of result-oriented budgeting, it is considered one of the most effective mechanism of gender budgeting for the budgeting system of Georgia as it ensures the maximum integration of gender equality policy goals in the decision-making process at all levels of the budget system and at all stages of the process.

Keywords: gender Budgeting, gender significance index, program budget, gender perspective, gender mainstreaming, gender equality.

Introductions: Gender budgeting means the involvement of the aspects of gender equality in the budgeting process of the country and distribution of budgetary resources that will facilitate the integration of gender mainstreaming in all areas or sectors. According to the complexity of the gender budgeting, there is no universal approach to it and the used approach and institutional framework are based on the specific features, as a rule (Vanishvili & Lemonjava [10]).

More detailed, due to the definition of the Council of Europe “gender budgeting includes considering of gender mainstreaming in the process of budgeting. It covers the assessment of the budget in terms of gender, integration of gender perspectives at all the levels of budgeting process and distributing of in-

comes and expenses for facilitating of gender equality” (Gender budgeting: Final report of the Group of specialists on gender budgeting [2]).

Similarly, the Organization for Economic Cooperation and Development (OECD) explains that “gender budgeting involves integrating a clear gender vision into the overall context of the budget process through appropriate procedures and analytical approaches to support gender equality policies” (Gender budgeting in OECD countries, by Ronnie Downes, Lisa von Trapp and Scherie Nicol [1]).

It should be noted that gender budgeting does not mean the creation of different budgets for women and men or the division of beneficiaries in the gender context, but it is the formation of a gender-oriented budget process, which implies compliance

of budget allocations with gender equality policies in the country (Vanishvili & Sreseli [12]).

Finally, in addition to the fact that gender budgeting is one of the most important components of an effective budget policy, its macroeconomic significance is also essential. This, as well as the country's budget policy as a whole, is directly related to the impact of gender budgeting on the level of productivity of the economy, growth and equitable / fair distribution of resources. Besides this, gender budgeting is one of the important preconditions for evaluating the efficiency of budget spending and it significantly contributes to the creation or refinement of relevant statistical databases (Vanishvili & Lemonjava [9]).

Materials and Methods: The specific methodology of analysis in the field of gender budgeting is not provided by the budget framework in Georgia. However, according to the existing legislative guidelines, regarding the gender aspect is considered as one of the components of result-oriented budgeting (Order № 385 of the Minister of Finance, 08/07/2011) [3].

In view of the above, the first stage of our analysis aims to present a unified framework for assessing the level of gender significance of Georgian state budget programs in the form of a gender significance index proposed by the Budget Office of the Parliament (The significant index of gender of programs proposed by the Parliamentary Budget Office is based on a capability approach that considers five categories of gender equality: equal opportunity in the formation of public and private life, equal opportunity when forming a political and social system, an equal opportunity in living and working in a protected and clean environment, equal opportunity for in terms of physical inviolability. The index, based on an assessment of the impact of the capabilities of each program in the state budget on the above categories, provides an opportunity to identify programs of high and substantial importance for ensuring gender equality).

The second phase of the analysis aims to analyze the existing objectives of the programs and the

evaluation indicators of the results / outcomes of the programs for high gender importance programs and to present the recommended indicators that can be used by the spending agencies to evaluate the gender achievement of the specific program.

Results and discussion: According to the secondary data analysis, the Ministry of Finance approved amendments to the Program-Budget Methodology Regulation (Order № 265 of the Minister of Finance of Georgia, 14/08/2015) [4], which states that "Due to the specifics of the program, concerning gender-sensitive programs, it is important to include an evaluation indicator in the gender aspect of the program as one of the indicators for evaluating the program".

According to the Resolution № 125 of the Government of Georgia (February 28, 2019, within the priorities of the Medium Term Action Plan for 2020–2023, while describing measures of planning factors to be implemented by state budget spending agencies, it is desirable to consider the gender assessment indicators of all program or sub-program (Resolution № 125 of the Government of Georgia, 28/02/2019) [5].

Based on these records, it is clear that under the current legal framework, there is no obligation to take into account gender aspects at all stages of the budget process, which therefore does not consider the stages as a whole and requires gender aspects (if it is necessary) only when developing indicators. While the indicator is a measure of results evaluation, the result is derived from the goal, and the goal, in turn, should be an integral part of the strategic policy.

According to the program budgeting methodology: (1) "Performance appraisal indicator is defined as the achievement of the result expressed in measurable (quantitative or / qualitative) indicators, determines the effectiveness of the implementation of the program / sub-program / event". (2) "Expected outcome is the result of programs, it is global in content. This is the situation that must arise as a result of the implementation of a pre-planned and analyzed policy".

It is clear from the above that the process should start mainly with policy planning and analysis, gender mainstreaming should be integrated at each stage of the budget process and not just during the development of the indicator.

The main issue that arises in the analysis of state budget programs today is how and by what criteria this or that program is considered gender sensitive or what is meant by such general records as “according to the specifics of the programs” and “according to necessity”.

Consequently, this general record in the methodology does not guarantee that the development of relevant gender indicators will be mandatory for gender-important programs. This is necessary in order to better identify the target groups of the programs and to implement the programs in accordance with the relevant gender needs in the state-funded fields such as education, health, social protection, economy, infrastructure and almost all spheres of public life (Shanava & Vanishvili) [6].

The second issue that is important for the gender analysis of budget programs is the relevant and appropriate indicators in the programs. The above mentioned methodology states that “the outcome indicator should measure a goal that is realistic and achievable. When developing evaluation indicators, it should be taken into consideration that they should be: specific, measurable, achievable, relevant and timed. In addition, it is stated that “performance evaluation indicators can be quantitative, cost-based, qualitative, effective and all of them must meet the principle of verifiability”.

This issue can be regulated by collecting the necessary data in order to achieve the implementation of realistic measurable indicators. To ensure this, at the initial stage it is possible to plan appropriate measures to create the necessary databases for the development of a system of indicators in the medium term (Vanishvili, Katsadze, et al. [11]).

Consequently, when talking about gender indicators, it is important to produce gender statistics,

as gender statistics is an important tool for ensuring gender equality. Gender statistics are the most reliable source for making evidence-based decisions. Statistics are evidence, information that allows policymakers to see and recognize the real picture of the difference between women and men and its impacts in all areas and pushes them to make appropriate, gender-sensitive decisions and also to make legislation more gender-sensitive. As for a gender indicator is a statistical measure that shows a change in a particular context over a period of time (Vanishvili, Lemonjava, et al. [11]).

Gender indicators can be *quantitative* (based on the statistics processed due to gender and related to the number or percentage of people or organizations of a particular gender involved in a particular activity), as well as *qualitative* (in addition to the information on the number of members of a particular gender, the quality of their involvement and service is also important). Accordingly, this indicator is based on the evaluation of experiences, attitudes, thoughts, feelings due to gender. This is an analysis of gender inequality where quantitative processes cannot be explained.

Quantitative and qualitative indicators allow to evaluate the gender results of the relevant project activities during the monitoring and evaluation phase to achieve the goals of gender equality. In addition, gender indicators make it possible to assess changes in relationships between women and men, their status or condition within a specific policy, program or actions (Vanishvili & Katsadze [11]).

183 state budget programs were evaluated according to the Gender Index developed by the Budget Office of the Parliament of Georgia. Out of this, based on the calculation of the Gender Importance Index, 9 budget programs were identified as having the highest scores and therefore classified as essentially high on gender equality, while 17 programs were classified as high importance on gender equality (Research Publication of the Budget Office of the Parliament of Georgia [13]).

It is important to note that the document prepared by the Budget Office also included an analysis of the

goals, expected outcomes and evaluation indicators of the programs of substantially high and significant importance based on the index. The document also provided as a proposal the indicators for the evaluation of possible final and intermediate results in the gender aspect for the above-mentioned programs according to the budget priorities and information about the basic data needed for the evaluation of these indicators.

In view of all the above, the analysis of all the programs envisaged in the 2020 state budget, which according to the index were considered to be essentially high and high importance programs was carried out. The relevant programs were also compared to 2019 for comparison.

Analysis of the information provided in the budget format of the program reveals that the picture has not changed substantially in relation to the respective programs and in most of them the gender aspects are still not presented according to the program description as well as the purpose, results and evaluation indicators. This confirms the fact that during the development of the program, these programs were not considered and discussed in the context of gender-sensitive programs by the relevant agencies, accordingly, the evaluation indicator in the aspect of gender of the program was not highlighted as one of the indicators of the program evaluation.

The analysis showed that out of the programs of high importance, the evaluation indicator in the gender aspect is not presented in any of them, the individual programs include a fragmentary record about gender. The following four programs might be named as examples: Develop and manage state policies to provide legislative and legal support to the country's interests, including criminal justice reform (26 01), development/enhancement of public order and international cooperation (30 01), managing of IDP, labor, health and social protection programs from the occupied territories (27 01), Office of the Public Defender of Georgia (41 01).

As for the programs of high importance according to the Gender Importance Index, it should be noted

that in 2020 and 2019 only three programs [crime prevention, probation system development and re-socialization of ex-prisoners (26 06), vocational education (32 03) and the Labor and Employment Reform Program (27 05)] include a gender-based assessment indicator. The Labor and Employment System Reform Program (27 05), in addition to the indicator, also includes gender aspects in the description and purpose, as well as within the expected final outcome.

Also noteworthy are the programs that were not considered as essentially high and high importance programs according to the Gender Office Index of Budget Office, but they include separate gender aspects themselves in both 2020 and 2019. In particular, these programs are: election activities (06 04), social protection of the population (27 02), pension provision of the population (27 02 01), social assistance to target groups (27 02 02), state care, victims of human trafficking provision of protection and assistance (27 02 05), livelihood program (27 06 05), health protection of the population (27 03), public health protection (27 03 02), early detection and screening of diseases (27 03 02 01), maternal and child health (27 03 02 08), retention of IDPs in settlements and improvement of their living conditions (27 06 03), promoting the development of the agricultural sector (31 05 12), dairy modernization and market access program (DiMMA) (IFAD) (31 05 12 03), development of infrastructure of general education institutions (32 07 01).

Conclusion: The following main conclusions are formed as a result of the research:

1. According to the current legal framework in Georgia, the obligation to take into account gender aspects does not apply to all stages of the budget process, which therefore does not consider the stages of the process as a whole and requires taking into account gender aspects (if it is necessary) only when developing indicators.

2. Gender indicators can be both quantitative and qualitative. Quantitative and qualitative indicators enable the assessment of gender outcomes of the relevant project activities at the monitoring

and evaluation stage and the achievement of gender equality goals. In addition, gender indicators provide an opportunity to assess the relationship between women and men, changes in their status or status within a specific policy, program or action.

3. Out of 183 state budget programs evaluated by the Gender Index developed by the Budget Office of the Parliament of Georgia, based on the calculation of the Gender Index, 9 budget programs were identified as having the highest evaluation and, therefore, are classified as essentially high quality and 17 to ensure a program of high importance.

4. The analysis of all the programs envisaged by the 2020 state budget of Georgia, which were considered to be essentially high and important programs according to the index and the comparison of the respective programs with 2019, showed that the picture has not changed substantially and the programs / sub-programs fragmentally include records on gender. In most of them, the record is found only in the description and purpose, therefore it is not presented in the result and the result evaluation indicator and in some cases the record is only at the indicator level.

References:

1. Gender budgeting: Final report of the Group of specialists on gender budgeting (EG-S-GB). Directorate General of Human Rights Strasbourg, 2005. URL: <https://rm.coe.int/1680596143>
2. Gender budgeting in OECD countries, by Ronnie Downes, Lisa von Trapp and Scherie Nicol. OECD Journal on Budgeting.– Vol. 2016/3. OECD, 2017. URL: <http://www.oecd.org/gender/Gender-Budgeting-in-OECD-countries.pdf>
3. Order № 385 of the Minister of Finance of Georgia of July 8, 2011: “On approving the methodology of drawing up the program budget”. URL: <https://matsne.gov.ge/ka/document/view/1400751?publication=0>
4. Order № 265 of August 14, 2015 of the Minister of Finance of Georgia: “Regarding Amendments to Order № 385 of July 8, 2011 of the Minister of Finance of Georgia on Approving the Methodology of Compiling the Program Budget”. URL: <https://matsne.gov.ge/ka/document/view/2949440?publication=0>
5. Resolution № 125 of the Government of Georgia of February 28, 2019: “About the measures to be implemented in order to compile the document of the main data and directions of the country for the years 2020–2023”. URL: <https://www.matsne.gov.ge/ka/document/view/4497403?publication=0>
6. Shanava Z., & Vanishvili M. Financial Education of the Nation: Challenges and Perspectives. International Journal of Social Science and Economic Research, 06(12 “December 2021”).– P. 4646–4672. URL: <https://doi.org/10.46609/IJSSER.2021.v06i12.012>
7. Vanishvili M., & Katsadze I. Bank Financing Of Green Eco-Nomy: Review of Modern Research. Scientific Collection «Inter-Conf», 2021. (95): With the Proceedings of the 2 Nd International Scientific and Practical Conference «Scientific Goals and Purposes in XXI Century» (January 19–20, 2022). Seattle, USA: ProQuest LLC, 2022.,– № 95.– | January, 2022.– P. 120–143.
8. Vanishvili M., Katsadze I., & Vanishvili N. Public Finance Reform and State Transfer Policy In Georgia. Theoretical and Empirical Scientific Research: Concept and Trends: Collection of Scientific Papers «ΔΟΓΟΣ» with Proceedings of the II International Scientific and Practical Conference (– Vol. 1). Oxford, May 28, 2021. Oxford-Vinnitsia: P. C. Publishing House & European Scientific Platform,– 1. 2021.– P. 26–30.
9. Vanishvili M., & Lemonjava L. Public Financial Management System in Modern Georgia. Refereed and Peer-Reviewed International Scientific-Practical Journal “Globalization & Business”.– 6, 2016.– P. 129–133.

10. Vanishvili M., & Lemonjava L. Modern Budget Classification in the Public Finance System of Georgia. *Globalization & Business*, – 12. 2017. – P. 47–50. URL: <https://doi.org/DOI: 10.35945/gb>
11. Vanishvili M., Lemonjava L., Katsadze I., & Vanishvili N. Loan Liabilities And Debt Burden Of The Population In Georgia. *Grundlagen Der Modernen Wissenschaftlichen Forschung der Sammlung Wissenschaftlicher Arbeiten «ΛΟΓΟΣ» Zu Den Materialien Der I Internationalen Wissenschaftlich-Praktischen Konferenz, Zürich, 10. September, 2021.* – Zürich-Vinnytsia: BOLESWA Publishers & Europäische Wissenschaftsplattform, – 1. 2021. – P. 29–35.
12. Vanishvili M., & Sreseli L. Challenges Of Gender Municipal Budgeting In Georgia. *Scientific Collection «InterConf», (97): With the Proceedings of the 9 Th International Scientific and Practical Conference «International Forum: Problems and Scientific Solutions» (February 6–8, 2022).* – Melbourne, Australia: CSIRO Publishing House, 2022. – 612 p. – № 97 | February, 2022. – P. 108–112.
13. Research Publication of the Budget Office of the Parliament of Georgia “State Budget by Gender – Index of Gender Significance”. 2018. URL: http://pbo.parliament.ge/media/k2/attachments/gender_budget_2018.pdf