

Gender Budgeting

Fact Sheet 16

Gender-oriented budgeting and digitalisation funding

The way public funds are used and distributed, which projects are financed and which groups of people benefit determines the direction of social and political developments. In particular in the context of digitalisation, considerable public financial resources are made available to shape digital transformation processes.

Decisions on the distribution of public funds also have an impact on gender equality issues. This is illustrated by the following example:

During the COVID-19 pandemic, large amounts of public money were made available in Germany by means of economic stimulus and crisis management packages. Employment relationships subject to social security contributions were supported during the crisis, e.g. through allowances for short-time work. However, such crisis protection was lacking for precarious employment relationships such as mini jobs, which are often carried out by women. State funds were also allocated to enable and support short-term investments in digitalisation projects. Digitalisation was promoted in public administration, in security and in new armament projects – thus primarily supporting sectors in which the proportion of women in the workforce is below average. For the care sector, in contrast, there was hardly any provision in the federal government's billion-euro package, even though this sector plays a key role in the course of the pandemic and has pent-up demand for digitalisation-related investments as well.

In a labour market structured along gender lines and in a society characterised by inequalities, men and women thus benefit differently from such investments.

Gender budgeting can help decisionmakers to ensure that public funds equally benefit male- and female-dominated economic and social sectors and that they work towards equality. Gender budgeting describes an **orientation of state budgetary policy towards equality-relevant goals**. This includes the examination of state budget policy for gender-related effects, the consideration of gender equality policy objectives when it comes to the use of state revenues and expenditures as well as a balanced participation of women and men in the bodies that take decisions on public funds.

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As an instrument of gender equality policy, gender budgeting contributes to creating framework conditions for the attainment of equal capabilities and to promoting gender equality-oriented digitalisation.

Digitalisation funding and gender relations



Detailed figures and information on gender-related inequalities in financing structures in the start-up scene can be found in the Female Founders Monitor: https://startupverband.de/fileadmin/startupverband/mediaarchiv/research/ffm/Female_Founders_Monitor_2022_English.pdf



Many billions of euros of state money flow into the development of digital technologies and infrastructure. Business start-ups in the field of information and communication technologies are being promoted and research into the further development of algorithmic systems is being financially supported. In the context of digitalisation, **gender-related inequalities and barriers** standing in the way of gender-equal access, use and design of digitalisation processes continue to exist. Without a **systematic, impact-oriented and gender-responsive budget policy and allocation of public funds** addressing these inequalities, there is a risk that existing inequalities will be consolidated or even exacerbated.

Inequalities in digitalisation funding

The Third Gender Equality Report of the German Federal Government points out that **women continue to be underrepresented in the digital sector** and therefore benefit less from funding in this industry than men. Moreover, people working in **female-dominated branches** like the service or care sectors **benefit little from digitalisation processes**. Inequalities in digitalisation funding are also evident when it comes to start-ups: **women are significantly underrepresented in digital start-ups** and encounter gender-related barriers to accessing start-up capital. The underlying reasons for these barriers include, for instance, the still powerful “ideal type” of the male founder. Male founders are thus more often supported by private investors or by state funding. In public funding programmes, there is a lack of equality-oriented guidelines forwarding procedures. These guidelines would enable equal access to start-up capital for all persons, regardless of their gender.

Gender-related gaps in digitalisation funding are also evident in the area of protection against and prevention of gender-related digital violence. Women’s shelters and women’s counselling centres lament **insufficient funding to adequately respond to the challenges of digital violence**. There are not enough funds available to build up and expand competences in the field of digital violence in the support structures as well as to ensure comprehensive equipment with adequate digital technology and digital security in safe spaces.

Shaping power of equality-oriented allocation of public funds

In order to prevent imbalances and funding gaps, **funds must be consciously distributed in a gender equality-oriented way and with a view to existing structural gender inequalities**. An analysis of the distribution of public funds can provide transparency on how the financing of digitalisation is structured, how women and men benefit from it and what indirect effects investments have on gender equality. An equality-oriented budgeting and allocation of public funds not only ensures distributive justice, but also impacts the shaping of digital developments in the economy and society.

The Expert Commission recommends, among other points:

- » Federal and state authorities should enforce a requirement for gender-equitable and non-discriminatory technology design when awarding publicly funded IT projects. Award procedures can thus take equality-oriented standards into account and establish guidelines for funding that have an impact on the digital sector.
- » To achieve a gender-equitable design of the awarding of public funds for digitalisation funding, the responsible committees must have equal representation and the support programmes must be subjected to a gender-related impact analysis.

How does gender budgeting work?

To ensure that public budgets are aligned with gender equality-oriented goals and that public funds are distributed in a gender-equitable manner, it is necessary to examine and analyse public budgets, state subsidies and award procedures. Gender budgeting analyses focus on the gender-related effects of revenues and expenditures. As an audit tool, they create awareness about the impact of public funds and can serve as a basis for future budgeting decisions.

Gender budgeting analyses in digitalisation funding

In the context of digitalisation, public funding of research projects and innovative technologies plays a crucial role. Against the background of existing inequalities in digitalisation-related work and research contexts, these investments must be examined for their impact and effects.

The examination of the distribution and impact of funding in digitalisation support can refer to two levels: on the one hand, it relates to the gender distribution among the project participants as well as to the corresponding distribution of resources and income within the project. On the other hand, it refers to the qualitative effects of the funded project and their respective influence on gender equity and equality. Gender budgeting analyses can thus be conducted on a comparative basis for individual projects or funding programmes. In their expertise for the Third Gender Equality Report, Irene Pimminger and Nadja Bergmann developed a three-step methodology for gender budgeting analyses of digitalisation funding:

- » First, the relationship between gender equality-oriented funding and funding without such an explicit focus is analysed. This can provide information on the (quantifiable) importance of gender equality-relevant funding projects.
- » Second, the content-related or sector-specific orientation of the funded projects is examined. The focus lies on the question which industry-specific solutions or innovations the funded projects aim at, and which users are reached by these solutions and innovations. While technological developments in industrial sectors tend to benefit male-dominated branches, female-dominated occupational fields are often neglected in digitalisation-related research. An analysis of the thematic focus of research funding can highlight such inequalities.
- » The third step is to analyse the composition of the research teams or companies that benefit from funding. This reveals which persons are involved and how the teams are composed in terms of gender.

A prerequisite for the systematic implementation of this type of analysis is the collection and processing of gender-differentiated data in the context of digitalisation-related funding.

Building on gender budgeting analyses, future financial policy decisions and instruments can be aligned with gender equality-oriented goals in order to use funds in a needs-based and goal-oriented manner with regard to gender equality.



Gender Budgeting Toolkit

Tools and examples of the implementation of gender budgeting for budget planning are presented in the Gender Budgeting Toolkit of the European Institute for Gender Equality (EIGE). This guide provides an insight into the mechanisms of gender equality-oriented budgeting for the funds of the European Union:

<https://eige.europa.eu/gender-mainstreaming/toolkits/gender-budgeting?lang=de>



Shaping digitalisation through gender budgeting

Gender equality policies, mechanisms and tools like gender budgeting create the framework conditions for equal capabilities in a digitalised economy and society. So far, there has been a lack of comprehensive institutional anchoring of gender equality-oriented budget policy as well as a lack of an adequate equality-oriented review of the allocation of public funds by state agencies such as ministries or the investment and development bank Kreditanstalt für Wiederaufbau (KfW).

The Expert Commission recommends:



- » **Allocating funds for digitalisation funding in a gender-responsive way:** Budget plans aiming to support and fund digitalisation projects have to be subjected to a gender budgeting analysis. The Expert Commission recommends the development of guidelines for future budgeting as well as the establishment of a gender equality check for short-term fiscal policy measures.
- » **Creating better data bases:** There is a lack of data disaggregated by gender – which is necessary for gender budgeting analyses. It needs to be ensured that these data are being collected and recorded in the planned national research data infrastructure.
- » **Fostering structures for a gender equality-oriented allocation of public funds:** The Expert Commission recommends the establishment of an advisory and support structure on issues of gender budgeting implementation within the framework of the establishment of an advisory office on gender mainstreaming within the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth. Moreover, gender equality-oriented budgetary policy should be addressed in the updating of the guideline “Gender Mainstreaming in (non-statutory designed) funding measures” (Arbeitshilfe Gender-Mainstreaming in (nichtgesetzlichen ausgestalteten) Fördermaßnahmen).



Further reading

- » Chapter C.II “Gender Budgeting” in the Expert opinion part of the Third Gender Equality Report of the German Federal Government. The Third Gender Equality Report of the German Federal Government is available at <https://www.bmfsfj.de/gleichstellungsbericht>
- » Pimminger, Irene / Bergmann, Nadja (2020): Gleichstellungsrelevante Aspekte der Digitalisierung der Arbeitswelt in Deutschland – Expertise für den Dritten Gleichstellungsbericht. <https://www.dritter-gleichstellungsbericht.de/de/article/217.arbeitswelt.html>
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- » Frey, Regina / Spangenberg, Ulrike (2007): Gender Budgeting in fünf Forschungsprogrammen. Study commissioned by the Austrian Federal Ministry for Education, Science and Research. <https://www.gender.de/kontext/controllers/document.php/4.e/o/8ae369.pdf>
- » Kuhl, Mara / Frey, Regina (2019): Geschlechtergerechter Bundeshaushalt – am Beispiel von Arbeitsmarkt- und Sportförderung. Report for the National Council of German Women’s Organisations: <https://www.frauenrat.de/wp-content/uploads/2020/05/Gutachten-Geschlechtergerechter-Bundeshaushalt.pdf>

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