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**ECONOMIC INDICATORS FOR GENDER ANALYSIS**

**Who benefits more? Benefit of the government by gender.  
A Dutch example of gender budget analysis**

Note by the Netherlands

Summary

In this document the authors explain what is meant by gender budgeting. Through a case study of a project in the Netherlands, they show how statistical offices could play a role in the use of gender budgeting. Only by analyzing governmental expenditures through a gender lens can the true impact of regular policies be shown. In this case, the authors concluded that the expenditures are not gender-neutral.

## **I. INTRODUCTION**

1. Governments promote gender equality by means of the strategy of *gender mainstreaming*. Gender-sensitive budgeting is one of the initiatives to contribute to gender mainstreaming. It was developed to assess the gendered impact of government budgets. In this paper we will briefly explain what gender budgeting is and describe how statistical offices could play a role in the use of this tool, showing an example of a Dutch project.

## **II. WHAT IS GENDER BUDGETING?**

2. Much of government policies are formulated in gender-neutral terms. But because of differences in social positions of women and men, the impact of these policies is not necessarily gender-neutral. Gender budgeting aims to produce a budget in which gender has been 'mainstreamed'. It does not aim to produce a separate budget for women, but it incorporates an analysis of public expenditure and methods of raising public revenue, from a gender perspective, identifying the implications and impacts of public expenditures and taxation policies for girls and women as compared to boys and men (Elson 2003).

3. The issue is not whether the spending is the same for women and men. Women and men may have different needs, so differences in the allocation of expenses might be justified. Financing provisions for maternity care is an example of this. Another example is the budget for elderly care: women on average get older than men, so it is quite justifiable that a larger share of the budget on elderly care ends up with women.

4. Many governments have committed themselves to gender equality and a mainstreaming approach. Australia was the first country to develop a gender-sensitive budget: in 1984 the Federal government published a comprehensive audit of the impact of the budget on women and girls. And also in South Africa, parliamentarians and NGO's have worked on gender-sensitive analyses of budgets for quite some time. Many countries followed, like the United Kingdom and a number of African countries.

5. There is no single approach or model of how to carry out a gender budget analysis. Differences between countries can be found in: who initiates the analysis (the government, parliamentarians or a non-governmental organization); what the scope of the analysis is (level of government, both expenditure and revenue, which portfolios, etc.); how will it be published (as a separate document or integrated in other public documents); what is the role of politics (who will be involved at different stages, who will use the products, who will fund it, etc.) (Budlender and Sharp, 1998). Several authors have developed analytical tools that can be used for particular circumstances (for example: Elson 1998; Budlender and Sharp 1998). In this paper we introduce a tool that is based on a more general project focusing on who benefits from expenditures of the Dutch government. In that project the 'who' that is taken into account refers to households. In addition, at the request of the Dutch Auditing Committee Emancipation (Visitatiecommissie Emancipatie) Pommer calculated the benefit from the government by gender (Pommer 2006).

### III. PUBLIC SERVICE, PERSONAL BENEFIT

6. One of the lines of research of the Netherlands Institute of Social Research / SCP concerns who benefits from public provisions. The focus in this research is on the income transfers that are associated with the consumption of goods and services.

7. The availability of public provisions stems partly from the task of the government to guarantee certain fundamental rights, including safety, socioeconomic security, education, care, housing and mobility. Some of these provisions benefit society as a whole, such as defence, public administration, public safety and protection against water. Others benefit individual households, such as housing benefit, education, child care and performing arts. The individual use of these provisions involves considerable sums of public money. The spending of that money can be described as 'benefit from the government' enjoyed by individual households (Kuhry and Pommer 2006). Since not all groups benefit equally, a redistribution of incomes takes place.

8. In 2003 almost 15 per cent of national income was given back to households in the form of 'benefit from the government'. The allocation of this benefit is calculated using an indicator which measures the share of an individual household in the public provision, such as the number of hours of home care received the number of visits to a museum or the degree of participation in education. The calculations presented in this paper relate to the reference year 2003.

9. The provisions which generate 'benefit from the government' are divided into seven sectors: public housing, education, public transport, culture and recreation, social services, care and subsistence costs.

10. The biggest items of expenditure for *public housing* are individual housing benefit and imputed rental value. The latter benefit arises because homeowners are able to enter a lower value for their home for income tax purposes than the market value. This benefit is granted to homeowners because the government wishes to stimulate home ownership.

11. Spending on *education* is broken down into funding of schools and income-supporting provisions for pupils and parents. Funding expenditure includes government spending on primary education, secondary education, target group-specific education (for disadvantaged children) and higher education. Income-supporting provisions include child benefit for 16-17 year-olds, study costs allowances, the tax benefit from being able to deduct tuition fees, and student finance. When allocating education expenditure, both students themselves (basic variant) and their parents (parental-household variant) can be regarded as the party which benefits from the provision. The parental-household variant is based on the idea that parents are legally responsible for the tuition fees and other costs of their children (duty of care).

12. Government spending on *public transport* consists of central government subsidies for local and regional public transport operated under the responsibility of the 'public transport authorities', as well as government subsidies, which serve to lower the fees paid by Netherlands Railways (NS) for the use of the railway infrastructure.

13. Government spending on *culture and recreation* relates to socio-cultural work, sports facilities, open-air recreation, public libraries, education in the arts, the performing arts and

museums. The benefit derives from the use of facilities, borrowing of media, following courses and visiting performances or exhibitions. Use of these provisions is personal in nature; for the use of libraries, for example, respondents were asked about the borrowing of books to read the

14. The main item of government expenditure in the area of social services is *home care* (including care for the elderly and childcare). Recipients have to pay a means-tested contribution for home care services; this is taken into account in calculating the 'benefit'. Means-tested contributions are in fact quite normal in the service sector, also applying for childcare and legal aid, for example. The provisions for disabled people living at home include transport adaptations and home adaptations, for which means-tested contributions also apply to some extent. These provisions are provided both financially and in kind.

15. The government's financial contribution to '*care*' has to do mainly with insurance, and manifests itself in the national health insurance scheme (recently changed to care insurance) and statutory contributions (now abolished). The intervention of the government means that the insurance premiums paid are below market rates. The difference between these market premiums and the actual insurance scheme represents the 'benefit from the government'. In principle, the care insurance involved government expenditure. Benefit for one household corresponds to a disadvantage for another household. Despite this, there is a positive balance which arises because until 2006 the government paid an annual contribution into the health insurance fund. Although care insurance has been changed radically, the distribution of the benefit has undergone a less marked change. Half of the budget is still spent in the old way through a means-tested contribution which the employer is required to pay. In addition, the care supplement largely covers the means-tested portion of the premium that households were required to pay in the past.

16. Government arrangements which help meet the *subsistence costs* of individual citizens include special assistance (crisis payments) exemption from local taxes and tax-deductibility of medical expenses. People living in homes and institutions are not included in the databases used to calculate the benefit from the government; this means that the lion's share of expenditure funded under the Exceptional Medical Expenses Act (AWBZ) is left out of the picture here.

17. Allocating the benefit from the government to men and women poses a number of problems in relation to the following questions:

- (a) How should children aged up to 17 years be treated?
- (b) How should provisions consumed at household level, such as housing benefit and home care, be treated?

18. In so far as children participate in provisions from which they themselves derive individual benefit, the man/woman distinction is maintained. The government expenditure in question is then allocated to boys and girls in proportion to their use of the provision. This applies for participation in education and visits to museums, for example, but not for childcare because it is the labour market perspective of the parent(s) which dominates here; as a result, childcare is regarded as a provision for parents.

19. The gender of the parent(s) is taken as a basis for provisions consumed at household level, such as housing benefit and childcare. Naturally, for people living alone or couples without

children it is the gender of those concerned which counts. The calculated benefit is then allocated to men and women in proportion to the number of adults present in households. Adult children living with their parents are left out of consideration.

20. For some provisions, the benefit at household level is allocated to individuals because the data do not tell which person is the user of the provision in question. This applies, for example, for home care and tax breaks. In home care, for example, it is not known for which member of the household the home care services were called in, while the tax authorities allow the person with the highest marginal tax rate to deduct medical expenses from their income. The tax records do not show which person incurred the medical expenses.

#### IV. BENEFIT BY GENDER

21. Table 1 presents a summary of the provisions studied and the government expenditure involved in them. Based on the principles for allocating expenditure to men and women, 22 of the 34 provisions generating 'benefit from the government' can be included in the gender analysis at individual level and 12 have to be included in the analysis at household level. 'At household level' means that the benefit for the household in question is allocated to men and women based on the distribution of genders in the household. The main data sources used for the allocation are the Public Services Survey (AVO) carried out by SCP, the Housing Needs Survey (WBO) (carried out by the Ministry of Housing, Spatial Planning and the Environment), the Income Panel Study (IPO) by Statistics Netherlands and the National Travel Survey (OVG) (also carried out by Statistics Netherlands).

Table 1. Selected provisions and the government expenditure involved in them, 2003 (x EUR million)

Provision	usage indicator	amount (€ mln)	calculation level (H=household, P=person)	database
Housing benefit	amount	1,600	H	IPO
Imputed rental value	amount	3,180	H	IPO
Rented property grant	association tenant	90	H	WBO
Owner-occupied home subsidy	amount	30	H	IPO
<b>Public housing</b>		<b>4,900</b>		
Primary education, general	pupil	7,320	P	AVO
Primary education, specific	disadvantaged pupil	410	P	AVO
Secondary education, general	pupil	5,090	P	AVO
Senior secondary vocational education	pupil	2,580	P	AVO
Study costs allowance	amount	360	H	IPO
Child benefit, 16-17 year-olds	amount	380	P	AVO
Adult education	course participant	500	P	AVO
Higher education	pupil	4,120	P	AVO
Student finance	amount	1,760	P	AVO
Fiscal compensation for tuition fees	amount	110	H	IPO
<b>Education</b>		<b>22,630</b>		

Train	kilometres travelled	700	P	OVG
Bus, tram, metro	kilometres travelled	1,170	P	OVG
<b>Public transport</b>		1,870		
Socio-cultural work	visits	600	P	AVO
Sports facilities	hours of use	710	P	AVO
Open-air recreation	visits	580	P	AVO
Public library	lending volumes	400	P	AVO
Artistic training	pupils	170	P	AVO
Performing arts	visits	440	P	AVO
Museums	visits	300	P	AVO
<b>Culture and Recreation</b>		3,200		
Home care	hours	2,690	H	AVO
Provisions for the disabled	provisions	710	P	AVO
Outpatient mental health care	clients	600	P	AVO
Childcare	day sessions	560	H	AVO/IPO
Legal aid	clients	170	H	AVO
Social work	clients	100	P	AVO
<b>Social services</b>		4,830		
Health insurance premiums	amount	2,650	P	AVO
Statutory contributions	amount	0	P	AVO
<b>Health insurance (1)</b>		2,650		
Special assistance	amount	230	H	IPO
Fiscal compensation for medical expenses	amount	830	H	IPO
Exemption from local taxes	amount	140	H	WBO
<b>Subsistence costs</b>		1,200		
<b>Total benefit</b>		41,280		

(1) Expenses on long-term care (like nursing homes) are not included.

Source: SCP

22. Table 2 presents the outcomes of the allocation of the ‘benefit from the government’ to men and women. The main outcome is that women are considerably more dependent on government provisions than men; of the total benefit from the government amounting to over EUR 41 billion in 2003, 40 per cent accrues to men and 60 per cent to women. This ‘feminine’ outcome applies not only for the provisions as a whole, but also for most of the sectors; it is only in education that the picture tilts slightly in favour of men, while for public transport the differences are small. An important underlying reason is the relatively high use of provisions by single-parent families (mainly women) and older single people (again predominantly women). Provisions which are mainly used by older people living alone are housing benefit, rented property grants, home care, provisions for the disabled, the national health insurance fund and the statutory contributions. Provisions which are mainly used by single-parent families are (again) housing benefit, funding for disadvantaged primary school pupils, study costs allowances, local public transport, outpatient mental health care, childcare, legal aid, special assistance and exemption from local taxes.

23. 42 per cent of expenditure on public housing benefits men, while 58 per cent accrues to women. This difference is caused mainly by housing benefits. In addition, rented property grants

benefit women slightly more than men due to the relatively intensive use of housing association homes.<sup>1</sup>

24. Just under half (49 per cent) of the public education spending benefits women. Most of the individual provisions within education benefit men and women equally, with the exception of funding for disadvantaged primary school pupils and study costs allowances, which clearly work to the advantage of women (a single-parent effect).

25. Spending on public transport is reasonably evenly distributed between men and women, though women have a small advantage on balance. This is derived mainly from local public transport. Men travel slightly more kilometres by train than women. This travel includes commuting to and from work, but ignores travel from workplace to workplace, since this forms part of business production.

26. Women derive more benefit from spending on culture and recreation than men (55 per cent versus 45 per cent). Men score higher only for the use of sports facilities. For open-air recreation and museums, men and women share the government expenditure almost equally. Public libraries and institutes for education in the arts are clearly more the domain of women than men: women account for roughly two-thirds of the benefit and men one third.

27. Social services reach significantly more women than men; roughly two-thirds of government spending benefits women and roughly a third man. As stated, this is due mainly to the relatively intensive use by single parents (home care, provisions under the Disabled Services Act) and single-parent families (outpatient mental health care, childcare, legal aid, social work).

28. In calculating the benefit from care insurance, the system applying in 2003 was taken as a basis. Under that system, women enjoyed a big advantage by being insured as a partner in the national health insurance scheme at no cost or at a very low rate. This advantage for women stems from having no income of their own or a very low income, for example because they work part-time. In the system introduced in 2006 that advantage will remain, but is likely to be less pronounced. In the new system, a distinction has to be made between the income-dependent premium (paid by employers) and the nominal premium payable by the insured. The advantage enjoyed by women in 2003 still applies in principle for the income-dependent portion. For the nominal portion, the benefit allocated to men and women depends on how the care supplement is allocated to individual members of the household. If this is based on the income contributed, the advantage enjoyed by women is likely to be comparable to that in 2003.

29. Government spending on subsistence costs benefits women much more than men via the mechanism referred to earlier, namely the relatively intensive use of provisions by single-parent families. Roughly 40 per cent of the benefit accrues to men compared with around 60 per cent to women.

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<sup>1</sup> This is in fact a disappearing subsidy category (old obligations).

Table 2. Benefit from the government by gender, 2003 (x EUR million)

provision	amount (million)	expenditure (%)		amount per person		users (%)	
		men	women	men	women	man	women
Housing benefit	1,600	27%	73%	53	143	5.5	10.3
Imputed rental value	3,180	50%	50%	196	196	33.6	33.6
Rented property grant	90	41%	59%	5	7	20.4	26.0
Owner-occupied home subsidy	30	47%	53%	2	2	0.3	0.3
<b>Public housing</b>	<b>4,900</b>	<b>42%</b>	<b>58%</b>	<b>256</b>	<b>347</b>		
Primary education, general	7,320	52%	48%	472	430	10.1	9.3
Primary education, specific	410	51%	49%	26	24	2.0	2.0
Secondary education, general	5,090	49%	51%	311	316	5.2	5.3
Senior secondary vocational education	2,580	53%	47%	171	147	2.3	2.0
Study costs allowance	360	35%	65%	16	29	2.6	3.6
Child benefit, 16-17 year-olds	380	50%	50%	24	23	1.9	1.9
Adult education	500	45%	55%	28	33	0.5	0.6
Higher education	4,120	52%	48%	269	239	3.1	2.7
Student finance	1,760	53%	47%	116	101	3.9	3.4
Fiscal compensation for tuition fees	110	45%	55%	6	7	1.8	1.9
<b>Education</b>	<b>22,630</b>	<b>51%</b>	<b>49%</b>	<b>1,439</b>	<b>1,352</b>		
Train	700	53%	47%	46	40	10.9	11.1
Bus, tram, metro	1,170	46%	54%	67	77	15.4	20.2
<b>Public transport</b>	<b>1,870</b>	<b>48%</b>	<b>52%</b>	<b>113</b>	<b>118</b>		
Socio-cultural work	600	45%	55%	34	40	15.8	17.4
Sports facilities	710	53%	47%	47	41	36.3	36.4
Open-air recreation	580	50%	50%	36	36	63.2	63.0
Public library	400	31%	69%	16	34	13.8	22.6
Artistic training	170	33%	67%	7	14	6.4	12.6
Performing arts	440	43%	57%	24	31	17.7	22.9
Museums	300	48%	52%	18	19	29.0	31.1
<b>Culture and recreation</b>	<b>3,200</b>	<b>45%</b>	<b>55%</b>	<b>180</b>	<b>214</b>		
Home care	2,690	32%	68%	108	222	10.7	13.3
Provisions for the disabled	710	30%	70%	27	61	8.4	12.8
Outpatient mental health care	600	34%	66%	26	48	1.6	3.0
Childcare	560	43%	57%	30	39	2.1	2.2
Legal aid	170	43%	57%	9	12	2.9	3.1
Social work	100	37%	63%	5	8	1.5	2.4
<b>Social service s</b>	<b>4,830</b>	<b>34%</b>	<b>66%</b>	<b>204</b>	<b>390</b>		
Health insurance premiums (1)	2,650	-	-	-143	464	43.5	54.7
Statutory contributions (1)	0	-	-	-34	33	68.0	63.6
<b>Health insurance (1)</b>	<b>2,650</b>	<b>-</b>	<b>-</b>	<b>-177</b>	<b>497</b>		
Special assistance	230	31%	69%	9	19	1.1	2.2
Fiscal compensation for medical expenses	830	45%	55%	47	55	16.0	18.6
Exemption from local taxes	140	30%	70%	5	12	2.4	4.5
<b>Subsistence costs</b>	<b>1,200</b>	<b>41%</b>	<b>59%</b>	<b>61</b>	<b>87</b>		
<b>Total benefit</b>	<b>41,280</b>	<b>40%</b>	<b>60%</b>	<b>2,075</b>	<b>3,004</b>		

(1) The amounts refer here to the deviation from the average premium. Women pay less premiums, so their benefit from the government is higher than that of men.

Source: SCP



30. Table 3 also includes information on the use of public provisions. Here, the total use is expressed as a percentage of the total population (including children). The difference between use and benefit is an indication of the intensity of use.

31. In the allocation of education spending, it is also possible to choose the parental-household perspective (table 3). Here, the benefit from government spending on education goes to women significantly more than in the basic variant, where men enjoyed a slight advantage; this is due in part to the use of educational provisions by single-parent families (usually a female parent).

Table 3. Benefit from the government by gender according to the parental-household variant in education, 2003

Provision	amount (x EUR million)	expenditure (%)		amount per person (EUR)	
		men	women	men	women
Primary education, general	7,320	44%	56%	404	497
Primary education, specific	410	40%	60%	21	30
Secondary education, general	5,090	46%	54%	292	335
Senior secondary vocational education	2,580	44%	56%	142	176
Study costs allowance	360	35%	65%	16	29
Child benefit, 16-17 year-olds	380	45%	55%	21	25
Adult education	500	47%	53%	30	32
Higher education	4,120	46%	54%	237	271
Student finance	1,760	42%	58%	92	124
Fiscal compensation for tuition fees	110	45%	55%	6	7
<b>Education</b>	<b>22,630</b>	<b>45%</b>	<b>55%</b>	<b>1,260</b>	<b>1,527</b>
<b>Total benefit</b>	<b>41,280</b>	<b>37%</b>	<b>63%</b>	<b>1,896</b>	<b>3,179</b>

Source: SCP

32. In the case of care it is also possible to choose the perspective of use rather than the perspective of insurance. The project 'Kosten van ziekten in Nederland' ('Costs of disease in the Netherlands') carried out by the National Institute for Public Health and the Environment (RIVM) in collaboration with Erasmus University Rotterdam (<http://www.kostenvanziekten.nl>) can be used as a source here. The data presented in table 4 are from 2003 and relate to the total care, i.e. including care funded under the Exceptional Medical Expenses Act (AWBZ) (and thus a number of provisions already dealt with here, such as home care and outpatient mental health care). The costs of diseases thus also include indirect costs such as costs of accommodation in residential institutions. In defining the care sector, the budgetary framework used by the Ministry of Health, Welfare and Sport (VWS) was taken as a basis. Contributions by service-users are left out of consideration.

Table 4. Total collective costs of Dutch health care, by age and gender, 2003 (x EUR million, share of the total costs in percentages).

Age	men		women		total	
	€ million	(%)	€ million	(%)	€ million	(%)
0-19	1,871	54.9	1,540	45.1	3,411	100.0
20-44	4,097	41.8	5,702	58.2	9,799	100.0
45-64	4,898	48.0	5,297	52.0	10,195	100.0
65+	6,815	33.6	13,445	66.4	20,261	100.0
Total	17,681	40.5	25,985	59.5	43,666	100.0

Source: RIVM, Kosten van ziekten in 2003

33. Based on the use of care provisions, the costs for women are higher than for men mainly in the fertile phase of life (20-44 years) and at advanced age. This is because women of advanced age often live alone and use professional institutional and community-based care. The result is that just under 41 per cent of the total spending on care benefited men in 2003 compared with over 59 per cent which benefited women. Comparison with the allocation outcomes from the insurance perspective (table 2) is difficult, partly because the residential provisions have been left out of consideration for technical reasons related to the data.

## V. CONCLUDING REMARKS

34. The example of this gender analysis of Dutch governmental expenditures clearly shows that regular policies are not gender-neutral at all. On average women benefit more from the government than men. An important explanation that was put forward is the fact that (older) single persons and single parents have a relatively high use of many of the public provisions, and since women are overrepresented in both groups, they benefit more of those public provisions. There are of course more explanations, like the unequal distribution of labor and income between women and men. For policymakers it is important to be aware of these causes.

35. However, what we hoped to have shown is that statisticians could play an important role in providing facts and figures about how public goods and services are allocated and distributed between women and men. Often, statisticians have access to both detailed information on public expenditures and data on the use of provisions in daily life. The combined presentation of these data is something that they are quite capable of doing. As we have shown, however, sometimes difficulties occur. One of the most important one being that data are not always available at the individual level.

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