

# Incorporating Equality Budgeting into Ireland's New Budgetary Process

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*To: Minister Michael Noonan TD; Minister Brendan Howlin TD*

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equality  
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# 1. EXECUTIVE SUMMARY

## **What is Equality Budgeting?**

Equality Budgeting is an approach to economic policy-making that places equality at the centre of decisions concerning public expenditure and income. Through equality audits and impact assessments, Equality Budgeting provides information on how different sections of society will be impacted by specific economic policies. This analysis is then used to to reduce inequalities and achieve the best equality outcomes for specific disadvantaged groups and for society overall.

Australia pioneered the adoption of Equality Budgeting by publishing a “women’s budget” in 1984. Other countries soon followed suit, and there are now over 60 countries that have implemented or worked toward Equality Budgeting, including Canada, South Africa, the United Kingdom, Tanzania and Uganda.

## **How can Equality Budgeting benefit Ireland?**

Incorporating Equality Budgeting into Ireland’s budgetary process will inform and improve Cabinet decision-making, Oireachtas oversight, public participation in, and socio-economic outcomes of the budgetary process.

## **How would Equality Budgeting fit into the significant changes currently being made to Ireland’s annual budgetary process?**

To comply with the new ‘European Semester’ a range of changes are being made including setting expenditure ceilings for each Department in order to meet Ireland’s medium term General Government Balance targets; publishing a Stability Programme Update, SPU, in April; considering Country Specific Recommendations (CSRs) from the European Commission; moving budget day to 15<sup>th</sup> October; voting through all budgetary legislation by 31<sup>st</sup> December (see Figure 2, below).

Other changes include: a range of new European metrics and conditions imposed by Fiscal Compact and other agreements; improvements to the quality of budgetary data, including the provision of performance indicators; the introduction of multi-annual budgeting. Equality Budgeting could augment these improvements, to ensure Ireland’s budgets provide as much protection as possible to members of society who are most often overlooked.

## **How would it work?**

Budgetary proposals from Cabinet and members of Dáil Éireann would be assessed by a bodies such as the ESRI and the Equality Authority for their likely impact across a range of equality dimensions. An assessment would be provided along with the Cabinet’s proposed budget on budget day, 15<sup>th</sup> October. This analysis would inform both the initial proposals being made, and parliamentary debate between budget day and the voting on budgetary legislation in December. The analysis would also inform the wider public debate, and would give citizens, civil society organisations and the media valuable information to use in assessing budgetary proposals.

## What are the next steps?

1. We are asking the Government to provide funds and direction to the ESRI and Equality Authority to undertake *ex post* equality analysis of Budget 2014, to be released within four weeks of October 15 and circulated to all TDs. This will ensure that Equality Budgeting can inform debate on subsequent Finance and Social Welfare Bills.
2. We are asking for a commitment from Government to carefully consider this Equality Budgeting analysis produced by the ESRI and Equality Authority between budget day and when all budget provisions are voted into law.
3. We are asking for a commitment from Government to augment changes to the Irish Budgetary process with annual Equality Budgeting analysis, before and after each budget from Budget 2015 onwards and to make funds available to the ESRI and the Equality Authority to provide the analysis on an on-going basis.
4. We are looking for a commitment from Government to convene a working group of ESRI, Equality Authority, civil servants, civil society groups and others to discuss how best to implement and codify changes to Ireland's budgetary process with specific regard to equality budgeting.

## 2. IRELAND'S CHANGING BUDGETARY PROCESS

**To date, Ireland has had one of the worst budgetary processes in the developed world.**

The World Bank rated Ireland 35<sup>th</sup> out of 43 countries it assessed for financial scrutiny of legislation, with Greece being the only developed-world country to get a worse rating.<sup>1</sup> In another study, Ireland scored zero out of ten for the quality of budgetary information given to parliament and civil society, and zero out of ten for the time given to parliament to interrogate budgetary proposals.<sup>2</sup> Ireland was the only country assessed that voted through public expenditure several months into the year of that expenditure.

Dáil Éireann does not have a Parliamentary Budgetary Office, which 12 OECD countries now have. Impact analysis is not provided with draft budgets, or their accompanying Bills, such as the Finance Bill, Local Property Tax Bill or Social Welfare Bill. The guillotine is used regularly on critical budgetary legislation. Amendments from members of Dáil Éireann are almost never accepted during the legislative process. As such, parliamentary oversight of Cabinet proposals is minimal.

**This may have contributed to the increase in inequality experienced in Ireland in recent years.**

The gap between the richest and poorest in Ireland increased by 25% in 2010.<sup>3</sup> ESRI analysis of Budget 2013 shows that it was regressive. An analysis by income quintile shows that the less households have, the more Budget 2013 took off them.<sup>4</sup> Another analysis by the ESRI shows that budgets 2011 and 2012 were also regressive.<sup>5</sup>

The CSO's SILC reports for 2010 and 2011 support the ESRI's findings. The survey shows household income increasing for the wealthiest 10% of households, falling for the other 90%, and the size of that fall correlating with falling incomes (i.e., the less households had to begin with, the bigger their fall in income).<sup>6</sup> The report also shows Ireland's Gini Coefficient rising since 2010, though arguably with the margin of error of measurement.<sup>7</sup>

Further evidence also points to certain groups being disproportionately impacted by recent budgets. These include lone parents, women, children and people with disabilities. For example, in its analysis of Budget 2011, TASC found that "the category most negatively affected by the measured Budget 2011 changes is the 'Single with children' group which lost 5% of income on average, compared with a 1.3% loss of income in the high earner, double income households."<sup>8</sup> The Department of Social Protection's own analysis further confirms that households with children, especially those headed by lone parents, were hardest hit by measures introduced in Budget 2013.<sup>9</sup>

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<sup>1</sup> World Bank 2005, Joachim Wehner, Legislative arrangements for financial scrutiny: Explaining cross-national variation

<sup>2</sup> Joachim Wehner 2006, Political Studies, 54(4), Assessing the Power of the Purse: An Index of Legislative Budget Institutions study of 36 countries on legislative budgetary capacity, Ireland scored zero for time allocated for meaningful legislative scrutiny and information to access to budgetary information, , "

<sup>3</sup> Central Statistics Office 2012: Survey of Income and Living Conditions (SILC) 2010

<sup>4</sup> ESRI 2012: Budget 2013: Distributional Impact

<sup>5</sup> ESRI 2012: Distributional Impact of Tax, Welfare and Public Sector Pay Policies: 2009-2012

<sup>6</sup> Central Statistics Office 2010 and 2011: Survey of Income and Living Conditions

<sup>7</sup> The Gini Coefficient is a measure of the distribution of income across a population, commonly used as an indicator to measure equality. The higher the number, the less equal the society is viewed (e.g., Denmark was at 24.0 in 2005, while South Africa was at 63.1 in 2009).

<sup>8</sup> TASC 2012: Winners and Losers, Equality Lessons for Budget 2012

<sup>9</sup> Department of Social Protection, Social Impact Assessment of the Main Welfare and Direct Tax Measures in Budget 2013, March 2013. It should be noted, that this kind of analysis by the Department is to be welcomed, and badly needed to assess the impact budgetary measures are having. However, such analysis also needs to be undertaken *prospectively*, and not just retrospectively to allow for optimum decision-making and transparency.

It has been argued by Government TDs and Ministers that the ESRI's analysis did not include all budgetary measures, and so did not incorporate fully the impact on higher income households. However, neither did the analysis incorporate the reductions to public services, which affect lower income households more. Regardless, most policy-makers would agree that it would be extremely advantageous to have comprehensive analysis of such issues before the budgetary measures are voted into law, in order to inform Cabinet decision-making and parliamentary oversight of the proposed measures.

**Recent changes to the budgetary process could significantly improve Ireland's budgetary process, and thus, hopefully, the related decision-making and oversight capacity of legislators.**

Significant changes are being made to Ireland's budgetary process, driven both by European directives and Irish Government initiatives. The Programme for Government includes a commitment to "open[ing] up the budget process to the full glare of public scrutiny in a way that restores confidence and stability,"<sup>10</sup>

In March 2011 the Department of Finance published a comprehensive discussion document identifying shortcomings in the existing budgetary process and highlighting a range of potential improvements.<sup>11</sup> These include medium term fiscal planning, incorporating the EU fiscal framework, introducing performance budgeting and the establishment of an independent Fiscal Advisory Council.

In signing up to the Fiscal Compact, and the various rules included in the so-called two-pack and six-pack agreements, the Irish State has agreed to subject itself to significant new European budgetary oversight. This includes being measured on a wide range of economic indicators, as well as agreeing to setting a stable trajectory for balanced budgets and a sustainable level of national debt.

A number of bills have now passed through the Oireachtas, giving legislative standing to various improvements. Similarly, Stability Programme Updates, SPUs, are now being published annually, which provide multi-year ceilings for expenditure. It is fair to say that this is a work in progress, with new improvements being seen each year.

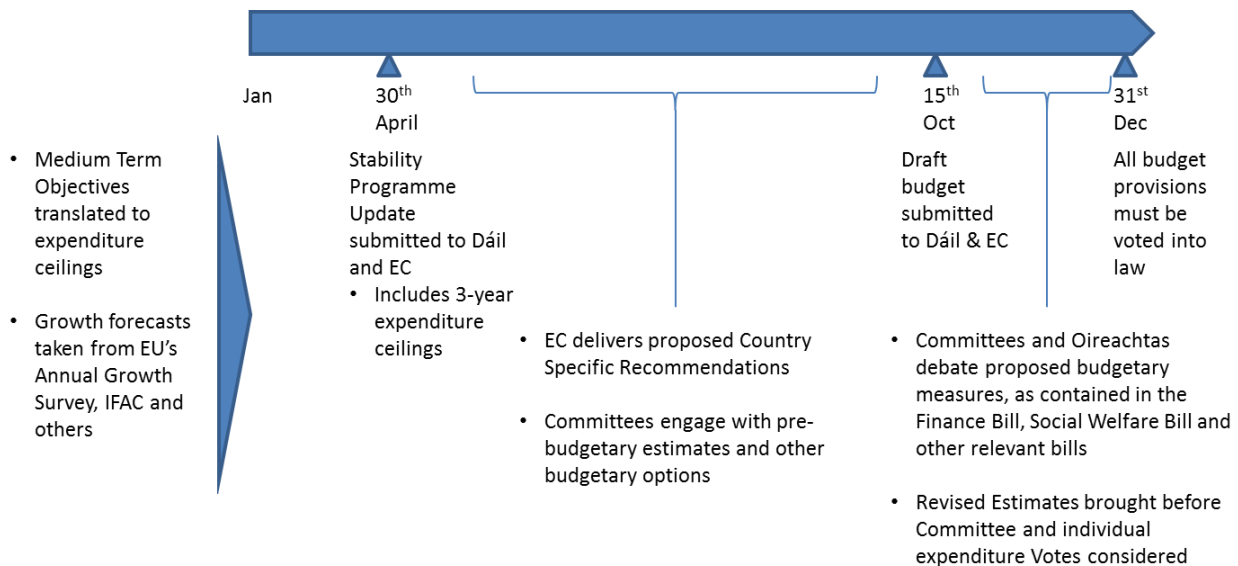
Figure 2, below, gives an overview of Ireland's new budgetary process. The new process provides a valuable opportunity for meaningful Dáil oversight. In particular, committees can now engage in proposed expenditure ceilings before budget day. Similarly, there are about two months from when the draft budget is announced until the relevant bills need to be voted on by the Oireachtas.

A great deal of further institutional change will be required in order to attain real Oireachtas oversight. For example, Cabinet will need to become open to making changes to draft budgets, based on feedback from the Oireachtas, civil society and the public. However, the current changes create the mechanism and frameworks to facilitate such a positive culture to evolve.

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<sup>10</sup>Programme for Government, 'Government for National Recovery 2011 – 2016', p. 23

<sup>11</sup> Department of Finance March 2011: Reforming Ireland's Budgetary Framework: A Discussion Document



*Figure 1: Ireland's New Budgetary Process*

### **The new budgetary framework would easily facilitate the introduction of Equality Budgeting.**

The new budgetary process creates a several-month space for pre-budgetary input from the Oireachtas via committees – from the publication of the SPUs in late April through to budget day on 15<sup>th</sup> October. This time could also be used by the ESRI and Equality Authority to develop an equality analysis. This could be used to provide feedback on proposals being considered by Cabinet to inform the final shape of the draft budget.

An equality analysis of the draft budget would then be released as part of the budget documentation on budget day, October 15<sup>th</sup>. It might also be possible to have non-Government proposals evaluated (e.g., from the non-Government parties).

Similarly, an analysis of the final budget, as voted through before 31<sup>st</sup> December, could also be produced early for the following year for reference.

### 3. THE CASE FOR EQUALITY BUDGETING IN IRELAND

#### What is Equality Budgeting?

Equality Budgeting is an approach to economic policy-making and planning that places equality at the centre of decisions concerning public expenditure and income. Through equality audits and impact assessments, equality budgeting provides information on how different sections of society are impacted by specific economic policy measures. The objective of equality budgeting lies in ensuring this information is used to reduce inequalities and to achieve the best equality outcomes for specific disadvantaged groups, but also for society at large.

Equality Budgeting goes beyond traditional approaches to economic policy-making and planning by:

- Assessing the impact public expenditure and resources have on certain sections of society;
- Assessing who benefits from economic policy measures and who doesn't;
- Ensuring equality is integrated as a driving principle in the planning, design, implementation and review of economic policy measures;
- Increasing transparency in budgetary processes and economic decision-making.

#### What are the dimensions of equality considered?

There are nine grounds of equality considered in the Equal Status Act 2000. Socio-economic status is also highly relevant to budgetary analysis. This would result in ten dimensions, as follows:

1. Gender
2. Civil status
3. Family status
4. Age
5. Race
6. Religion
7. Disability
8. Sexual orientation
9. Membership of the traveller community
10. Socio-economic status

Analysis from the ESRI and Equality Authority would interrogate all budgetary proposals to show their combined effect on each of the above segments of society. A case could be made to initially prioritise certain dimensions, such as socio-economic status, gender, age, family status and disability.

#### What are the benefits of Equality Budgeting?

##### 1. Increased levels of information

The collection of disaggregated data and impact assessments provides information that gives us a clearer picture of the effects of economic policies as they pertain to specific sections of society.

##### 2. Increased levels of equality

In turn, this clearer picture enables us to see who is disproportionately impacted by particular policy measures, and who is experiencing inequality as a result of specific measures. Once this is known, inequality can be redressed as policy measures are reviewed and changed to ensure better equality outcomes for people.



### **3. Increased levels of transparency**

By making impact assessments and equality audits publicly available, members of the public have access to information that critically affects them. Reforms to budgetary processes, such as more meaningful consultation of civil society organisations, or the publication of a draft budget, further add to a bottom-up approach to economic policy-making.

### **Is Equality Budgeting a new idea?**

Equality Budgeting was first implemented in the form of gender budgeting in the 1980s. Although gender budgeting has a specific focus on gender in its interaction with economic policies and processes, gender budgeting has evolved, over the decades, to include other equality categories, such as disability, age, or race. In its original form, however, equality budgeting was concerned mainly with the disproportionate impact of economic policy measures on women and men.

Australia pioneered the adoption of equality budgeting by publishing a “women’s budget” in 1984. Other countries soon followed suit, and there are now over 60 countries that have implemented or worked toward equality budgeting, including Canada, South Africa, the U.K., Tanzania and Uganda.

While some progress was made in Ireland toward equality budgeting, particularly with a focus on gender, much of this was subsequently reversed with the weakening of the Gender Mainstreaming Unit in the Department of Justice in 2008, inaction on the implementation of the National Women’s Strategy, and the more general dismantling of the equality infrastructure in Ireland that has been on-going since the beginning of the economic crisis.<sup>12</sup>

Positive examples of work toward equality budgeting include a project undertaken by the Department of Justice, Equality and Law Reform in 2009 on gender mainstreaming, a Gender Budget Pilot Project undertaken with PAUL Partnership in Limerick and Roscommon County Development Board (2004), and several initiatives, particularly on equality implications for the public service, by the Equality Proofing Working Group of the Department of Justice, Equality and Law Reform (Equality Authority, 2011).

### **Why introduce Equality Budgeting in Ireland?**

Research undertaken by policy analysts and economists shows that economic policy measures introduced since the onset of the economic crisis are having a disproportionate impact on certain sections of society, thereby exacerbating inequality and poverty. For example, a study carried out by Tasc revealed that the most at-risk group of poverty in Ireland, lone parents, lost the highest percentage of income in Budget 2011.<sup>13</sup> Regardless of where one stands on this fall (some may argue that such a reduction was appropriate), it is critical that policy-makers and legislators are aware of the impacts of the budgetary proposals they develop and vote into law.

More generally, lower income workers tend to be disproportionately affected by austerity measures, not just in Ireland, but internationally. This can be for a range of reasons, one of which is changes to State spending, taxation and social protections.

Women in Ireland make up the majority of workers earning the minimum wage or just above. Women, especially women with children, are more reliant on public services and welfare provisions, which are all under pressure. At the same time, only 14% of TDs and 12% of Government ministers are women. This can lead to policy blind-spots, and group-think, leading unintentionally to gender-biased budgets. Again, equality analysis can highlight these mistakes.

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<sup>12</sup> For the impact this dismantling has had on women, see Barry & Conroy, May 2012: ‘Ireland 2008-2012, Untold story of the Crisis: Gender, Equality and Inequalities’.

<sup>13</sup> TASC 2012: Winners and Losers, Equality Lessons for Budget 2012

There is no down-side to introducing Equality Budgeting in Ireland, but there is the potential for enormous opportunity. It would help ensure that particular groups in society are not being disproportionately penalised. It would greatly increase the ability of Cabinet to develop well-balanced budgets. It would similarly increase the Oireachtas' ability to provide oversight, and for civil society groups, the public and the media to input to the process. All of this leads to better and more transparent policy-making. And that tends to lead to reductions in poverty, job creation and economic growth.

The timing is right. Incredibly tough decisions are having to be made by Government in order to return Ireland to fiscal balance. It is when such decisions have to be made that unintended consequences can occur, leading to portions of Irish society being asked to bear far more than their fair share of the burden of recovery. The on-going changes to the budgetary process also provide the perfect environment for the introduction of such a valuable tool.

## 4. IMPLEMENTING EQUALITY BUDGETING IN IRELAND

Both the Economic and Social Research Institute, ESRI, and the Equality Authority are well placed to conduct equality analysis as part of the annual budgetary cycle.

The ESRI already conducts limited equality evaluation of annual budgets, albeit only after the draft budget is published. The Institute is well respected as a neutral, expert organisation in the realm of socioeconomic analysis. It could be provided with additional resources in order to allow it to provide pre-budgetary analysis, and to analyse proposals arising from parliamentary debate between budget day and voting on budgetary measures in December.

The Equality Authority is an independent State body set up to ensure that all people in Ireland are treated equally and to ensure that discrimination on certain grounds does not occur. As such, it brings significant expertise in how legislation and policy decisions may affect equality across a range of dimensions. It could be provided with a small amount of additional resource to allow it to work with the ESRI on evaluation of budgetary proposals.

In the short term, it is proposed that resources be deployed to provide equality analysis of proposed budgetary measures. This resource could be allocated to the ESRI and Equality Authority, together with civil servants and civil society groups. For Budget 2014, the draft of which will be published on 15<sup>th</sup> October 2013, it is proposed that an equality analysis is carried out immediately after the 15<sup>th</sup> October, to be provided to the Oireachtas by mid-November. This would provide TDs and Senators with valuable information to use in interrogating the proposed budgetary measures.

For Budget 2015, it is proposed that these organisations work with Minister and Departments to prepare an equality analysis, to be provided along with the draft Budget 2015, on budget day, which will be presented in mid-October 2014. A further analysis would be provided of the final budget, as voted into law by the Oireachtas. This should be available in late January 2015. This same process would then apply each year.

Regarding the wider implementation of equality-analysis in the day to day operations of the State, the Programme for Government states that "We will require all public bodies to take due note of equality and human rights in carrying out their functions." There is a requirement, therefore, for the Government to make good on its promise to be open to data sharing and collection.

To this end, it is also proposed that eventually a new unit be established with responsibility for integrating equality budgeting across economic policy processes and planning – in the Civil Service and State organisations. This unit should have the resources to:

- Undertake or commission research on the impact of the economic crisis on different sections of Irish society;
- Provide training to State agencies on equality planning;
- Audit State agencies on equality-provisions in their planning.

This unit could also take on board the equality-analysis for the annual budget cycle, as described above.

Government data used in policy-making should be disaggregated for equality-based analysis. For example, on the basis of gender, age and disability.

An Equality Budgeting unit would act as a corollary to the Fiscal Advisory Council to ensure Government is meeting both financial targets and objectives, and social objectives, in terms of "fairness and equal citizenship" as announced in the Programme for Government.

### How would Equality Budgeting be rolled out?

Equality Budgeting could be piloted for Budget 2014 through an *ex post* equality analysis to inform subsequent debate. A more robust process could be fully in place for Budget 2015, based on feedback from the preceeding year and a consultation process that would involve TDs, Civil Society groups and civil servants. From this point onwards draft budgets in October would be accompanied by equality analysis, with further analysis on the actual impact of budgets published in Q2 of the subsequent year.

Issues to be resolved during the consultation process include:

- Optimum Publication dates to inform debate & allow for policy changes
- Legislative issues; eg. whether an express positive duty on the public bodies of the State to have due regard for human rights and equality in carrying out their functions, should be legislated for
- The establishment of an Equality Budgeting Unit



*Figure 2: Suggested Timeline for Equality Budgeting implementation.*

## **APPENDICES**

### **APPENDIX 1: THE EQUALITY BUDGETING CAMPAIGN**

The Equality Budgeting Campaign is a broad-based coalition of civil society organisations, trade unions, and concerned individuals seeking significant changes to economic policymaking in Ireland by championing best international practice of equality-focused approaches to public income and expenditure.

The campaign was founded in July 2012 in light of increases in inequality and poverty, and amidst growing evidence of the disproportionate impact economic policies are having on disadvantaged groups since the beginning of the economic crisis. Equality Budgeting has been internationally accepted as a means to effectively deal with inequality and poverty. There are over 60 countries worldwide that have adopted or are working toward equality budgeting, such as the United Kingdom, South Africa, Canada, Tanzania and Uganda. It is now time for Ireland to follow suit to ensure a more just and equitable society for all.

## APPENDIX 2: CASE STUDY – EQUALITY BUDGETING IN SCOTLAND

In Scotland, an independent advisory group, the Equality and Budget Advisory Group (EBAG), works together with the Scottish Government to:

- Provide advice and support for the mainstreaming of equality in policy with the appropriate allocation of resources;
- Contribute to mapping the pathway between evidence, policy and spend;
- Improve the presentation of equality information in the Scottish budget documents;
- Contribute to improved commitment to and awareness of mainstreaming equality in to policy and budget processes.

The advisory group is made up of government and civil society actors, such as the Women’s Budget Group, the Equality and Human Rights Commission, the Scottish Government Finance Directorate, and the Office of the Chief Economic Adviser.

The Scottish budgetary process involves the publication of a draft budget, which allows for public consultation and debate on the particulars of the budget before it is finalised. The publication of an “equality statement” alongside the draft budget clearly outlines the equality implications of the budget. The statement is arranged under key themes of the budget, such as “health and wellbeing”, “culture and external affairs”, and “finance, employment and sustainable growth”. Additionally, the statement provides an overview of the equality implications by “equality characteristic”, that is, by gender, age, disability, and other categories. Hence, it includes a detailed analysis of the impact of specific policy measures on women, on young people, on people with disabilities, and others, while providing a detailed view of the equality outcomes for members of the public.

In addition to this, the Scottish government has undertaken in-depth research on the effects of the economic crisis in a report entitled *Coping with Change and Uncertainty: Scotland’s Equality Groups and the Recession* (2010), and a further updated analysis in the report *The Position of Scotland’s Equality Groups: Revisiting Resilience in 2011* (2011). Both reports and the Equality Statement on the draft budget are publicly available on the Scottish government’s website, as are the minutes of meetings held with EBAG.

Below is a chapter 2 of the ‘Equality Statement, Scottish Draft Budget, 2014-15’, relating to health and wellbeing.

## Introduction: Equality Landscape For The Health And Wellbeing Portfolio

The Health and Wellbeing portfolio has a central role in helping people to live longer, healthier lives, in giving our children the best start in life, and developing strong, resilient and supportive communities. This is achieved by providing high quality health and social care services; by being responsive to the diverse needs of patients and communities; by involving communities in the design and delivery of care; and by focusing on prevention and early intervention to reduce drivers of ill health and premature mortality.

Although there have been widespread health improvements across the population in recent years, health inequalities remain a serious challenge, particularly in the most deprived communities. Inequalities in health outcomes and behaviours also exist by characteristics such as age, gender, ethnicity, religious group and sexual orientation<sup>1</sup>.

A key indicator of Scotland's population health is the rate of premature mortality for those aged under 75. Between 2000 and 2010, premature mortality decreased by 21 per cent, but only by 15 per cent in the most deprived communities<sup>2</sup>. People in deprived communities also have lower healthy life expectancies, leading to a greater dependence on health and care services. For example, women in Scotland's most deprived areas are expected to spend 25 years with less than good health in older age, compared to only 12 years for those in the least deprived areas.

There are significant patterns in unhealthy behaviours related to deprivation. Although fewer people drink at hazardous levels in deprived areas, those who do so consume significantly more alcohol than hazardous drinkers elsewhere<sup>3</sup>. Nearly 40 per cent of adults in the 10 per cent most deprived areas smoke<sup>4</sup>, compared to only 10 per cent in the least deprived areas.

Pregnancy outcomes, and child health and development, are linked to longer term health outcomes. Evidence suggests that women at the highest risk of poor pregnancy outcomes are less likely to access antenatal care early. In the 20 per cent most deprived areas, 65 per cent of pregnant women had booked for antenatal care by the twelfth week of gestation compared to 74 per cent in the least deprived areas, and are more likely to report being current smokers at the time of their booking appointment<sup>5</sup>. As 70 per cent of around 3,000 first-time mothers each year come from the 40 per cent most deprived areas in Scotland, there is an increased demand for support services in those areas.

The proportion of physically active adults has shown little change since 2008, with four in ten adults meeting physical activity recommendations. More men than women participate in moderate exercise, with the gender gap opening up in teenage years and lessening through adulthood as participation declines. Sport participation plays a role in meeting physical activity targets, and is associated with area deprivation. In the least deprived areas, 64 per cent of adults reported participating in sport, compared to 44 per cent in the most deprived areas<sup>6</sup>. Sport participation and physical activity levels vary among adults from different religious and ethnic groups<sup>1</sup>.

Almost three in ten adults in Scotland have a limiting long term condition, with prevalence increasing sharply with age. Disabled people or those with long term conditions are more likely to smoke, less likely to be physically active, more likely to be obese, and report poor self-assessed health than those without<sup>3</sup>. While it is possible for these unhealthy behaviours to be either caused by, or a contributory cause of, long term conditions, in either case they represent a major challenge to public health and to service

providers.

Almost half of adults aged under 35 who have a learning disability known to their local authority live with a family carer, but this declines to one in ten of those aged 55 or over. The majority of people in Scotland who have a learning disability live in mainstream accommodation<sub>6</sub>.

Age is one of the most significant factors related to reliance on health and social care services. Nine in ten of those aged 16-24 report being in good health, but this reduces steadily with age to only half of those aged 75 and over. As people get older, they rely more on the services provided by NHSScotland, social care providers and informal carers. The proportion of people aged over 65 receiving personal care at home, as a percentage of all people aged over 65 receiving long term care, has increased from 57 per cent in 2008 to 60 per cent in 2012.

As well as providing health services to the population, NHSScotland is also the nation's largest employer. A significant proportion of portfolio funding is spent on the salaries of NHS employees<sub>7</sub>. Over three-quarters (79 per cent) of these employees are women, 51 per cent of whom work on a part-time basis. In contrast, only 16 per cent of male NHS employees work part-time. The workforce is demographically older than Scotland's working age population as a whole.



## Spend Profile For 2014-15 And Plans For 2015-16

The portfolio has the following spend profile:

**Table 2.01: spending plans (level 2)**

	2013-14	2014-15	2015-16
	Budget £m	Draft Budget £m	Plans £m
NHS and Special Health			
Boards	9,124.80	9392	9,619.60
Other Health	2,697.50	2568.4	2451.9
Sport	133.6	207.7	60.5
Equalities	20.3	20.3	20.3
Food Standards Agency			
Scotland	10.9	10.9	10.9
<b>Total Portfolio</b>	<b>11,987.10</b>	<b>12,199.30</b>	<b>12,163.20</b>
of which:			
DEL Resource	11,468.60	11,841.30	11874.1
DEL Capital	418.5	254	187.1
Financial Transactions	-	4	2
AME	100	100	100

£m Draft

## Key Changes to Spend

The key points in the Draft Budget 2014-15 for the Health and Wellbeing portfolio are as follows:

- Total portfolio funding in 2014-15 of £12,199.3 million reflects an increase of £212.2million over 2013-14.
- Funding allocated to healthcare will be £11,960.4 million, of which territorial NHS Boards and Special Health Boards will receive a core allocation of £9,392 million. £207.7 million will be allocated to Sport including the Commonwealth Games 2014, £20.3 million to Equalities and £10.9 million to the Food Standards Agency Scotland.
- Resource funding has increased by £372.7 million in 2014-15, from £11,468.6 million to £11,841.3 million. This includes the full amount of the budget consequentials arising from the increase to health in England and delivers on the Scottish Government's commitment to pass on the resource budget consequentials in full to the health budget in Scotland.
- NHS territorial Boards will receive allocation increases of 3.1 per cent in 2014-15 and 2.7 per cent in 2015-16. To achieve this and also to support an increase for NHS Special Boards delivering direct patient care, such as the Scottish Ambulance Service, we have adopted a similar approach in 2014-15 to that in previous years where a differential efficiency target has been set for NHS Special Boards budgets. We will reinvest savings from the NHS Special Boards in the delivery of new Health expenditure programmes.

- Through their Local Delivery Plans, NHS Boards will demonstrate how they will work in partnership to deliver accelerated improvements for key priorities through a continued focus on improving quality by, for example, tackling health inequalities, improving access to elective mental health and substance misuse services, and reducing healthcare associated infection.

## Equality Considerations for 2014-15

In the following section we have considered the potential impacts of these changes for equality, with a particular focus on a number of key areas. We have also identified some specific areas which are important for progressing equality but where there is no change in spend.

The overarching approach to all our work across Scotland is contained in the Quality Strategy<sup>8</sup> and the 2020 Vision for Health and Social Care<sup>9</sup>. The delivery of person-centred care is one of three quality ambitions set out in the Quality Strategy, and this approach helps advance equality of opportunity by ensuring people are at the centre of their care. The focus is on supporting mutually beneficial partnerships between people, their families and those delivering healthcare services which respect individual needs and values. NHS Health Scotland is working with the Scottish Government to support NHS Boards' actions to mainstream equality, including in establishing their first set of equality outcomes, supporting impact assessment, through leading the health input to the Scottish National Action Plan on Human Rights, and in contributing to the National Health Literacy Strategy.

## Sport and Commonwealth Games

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>133.60</b>	<b>207.7</b>	<b>60.50</b>

Equality is one of the core values of the Commonwealth Games movement, and is therefore central to the Glasgow 2014 Commonwealth Games. Games Partners will use the power of the Games to inspire individuals and communities and send a message that sport is for everyone, regardless of age, gender (including gender reassignment), sexuality, race or ethnicity, religion or belief, marital status, disability, or socioeconomic background.

The Scottish Government and its partners have been working for the past five years, first to develop and now to deliver a legacy for the whole of Scotland. The Games legacy plan is wide-ranging and covers a ten year period to 2019. Embedded across all our Commonwealth Games legacy programmes are five underpinning principles which include enabling diversity and ensuring equality. Partners have mainstreamed equality and diversity throughout their business functions and are applying an 'opportunities for all' approach to delivering legacy activity.

Recent activity upholding these principles includes an investment of £125,000 by the Scottish Government through Education Scotland for Scottish Disability Sport to deliver a Physical Education Disability Inclusion Training Programme, giving up to 1,000 teachers in Scottish schools the knowledge, skills and experience to include disabled young people fully in quality physical education (PE) and sports provision by 2014.

Funding to Street Soccer Scotland of £300,000 from 2013-2014 to 2014-2015 will enable the organisation to extend its reach and influence and help develop programmes,

partnerships and sustainability in four geographical areas across Scotland (Aberdeen, Dundee, Edinburgh and Glasgow). Street Soccer Scotland uses sport as a catalyst for change, delivering a range of football-related programmes and personal development services to socially disadvantaged adults and young people, to help them to make positive changes in their lives. The programmes are tailored to suit the needs of people who have experienced a range of issues including homelessness, mental health problems, addictions, and unemployment, and young people leaving care.

The Legacy 2014 website ([www.legacy2014.co.uk](http://www.legacy2014.co.uk)) sets out the wide range of opportunities available for all to get involved. Annual progress and evaluation data will be available on the Assessing Legacy 2014 website.

The Scottish Government and sportscotland have identified women and girls as a group that are under-represented in sport and need more opportunities and targeted work in order to address their levels of fitness and general health. £500,000 is therefore being provided each year for three years (from 2012-13 to 2014-15) to sportscotland, to support the delivery of a single National Active Girls programme bringing together three teenage girls' projects: Ydance, Girls on the Move and Fit for Girls, which were previously funded separately by the Scottish Government. Active Girls will provide a range of training opportunities for practitioners to engage girls in PE, physical activity and sport, and focus on motivating and inspiring teenage girls to get active.

Ministers are determined to deliver improvements which result in an increase in overall physical activity levels throughout Scottish society. To address this, a Physical Activity Implementation Plan is in the final stages of development, and work is also underway to establish a Physical Activity Collaborative, which will drive forward frontline measures at community level, specifically aimed at increasing opportunities for people in all equalities groups to become more physically active.

### Scottish Immunisation Programmes

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>8.80</b>	<b>16.3</b>	<b>20.90</b>

The costs above reflect Scottish Government expenditure on the childhood flu, rotavirus and shingles vaccination programmes. Implementation costs will be met directly by NHS Boards. NHS Health Scotland, on behalf of the Scottish Immunisation Programme and the Scottish Government, has begun a Health Inequalities Impact Assessment of the immunisation programme. This includes assessment of the new programmes being introduced from this year - the childhood flu programme for children aged 2 to 17, the rotavirus vaccination for babies and the shingles vaccination for older adults. This has initially been split to consider adult and childhood/adolescent vaccines separately. The scope covers access to and uptake of immunisations, mainly via considerations of service delivery and communications and programme co-ordination (including monitoring). Data systems are also being considered.

Scoping workshops were undertaken in July to consider the potential differential impacts of the programme in relation to the nine protected characteristics and other relevant groups. These workshops have included key relevant stakeholders and the adult vaccine workshop involved MECOPP (Minority Ethnic Carers of Older People Project). The next step is to prioritise and agree recommendations which will then be shared with the Immunisation Programme Steering Group. An early finding across both workshops appears to be the need to consider further the access to immunisation for those groups who may be less likely to be registered with a GP (including Gypsies/Travellers, refugees,

asylum seekers, and homeless people).

### Family Nurse Partnership Programme

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>4.8</b>	<b>6.3</b>	<b>10.7</b>

2013-14

2014-15

2015-16

Although parenthood can be a positive and live-enhancing experience, it may also bring a number of negative consequences for young parents and their children<sup>10</sup>. The Family Nurse Partnership programme aims to support first-time teenage mothers to enable them to make positive decisions to improve the outcomes for both mother and child. This is an intensive home-visiting programme, lasting from early pregnancy until the child reaches two years of age. This creates a preventative environment to break the intergenerational cycles for poor outcomes for these children.

By 2015-16, we intend to have at least one Family Nurse Partnership team in each Health Board area and be phasing in a sustainable support model where every eligible young woman is offered the programme.

### Pre-Registration Nursing And Midwifery Education

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>62.2</b>	<b>62.2</b>	<b>62.2</b>

Pre-registration nursing and midwifery training is a key area of Scottish Government spend. The impact of changes in commissioned nursing and midwifery student places on equalities including gender, age, race and other factors is assessed as part of the process of deciding student numbers. Spend in this area supports gender equality by ensuring wide access to high quality careers for women, without discriminating against men. Students are supported by a non means tested, non-repayable bursary, together with additional allowances, e.g. for childcare; this ensures that participation is based on an individual's ability to learn, rather than ability to pay.

### Case Study: Integrated Adult Health And Social Care

Development of the Public Bodies (Joint Working) (Scotland) Bill initially focused on integrating services to meet the needs of older people.

During the consultation process, stakeholders raised concerns about placing the focus of integration on older people's services first. Focusing on older people first was perceived by some stakeholders as potentially indirectly discriminating against disabled people, who would be unable to access the integrated services they need due to not meeting the 'age criteria'.

In response to stakeholder feedback, the Scottish Government has redefined the initial focus on improving outcomes for adults with multiple long term conditions and complex support needs rather than older people which implies an 'age criterion'.

Over two million people in Scotland have long term conditions. Although multi-morbidity increases with ageing, most people affected in Scotland are under 65, particularly in deprived areas where the most common co-morbidity is a mental health problem. The combination of physical and mental health conditions has a strong association with health inequalities and negative outcomes for individuals and families. These reforms will have a particular impact on women who are the largest number of adults with multiple co-morbidities.

£2.0 million is committed to the integrated adult health and social care programme in 2013-14, rising to £10.6 million in 2014-15. This figure reduces in 2015-16 to £1.5 million. To mitigate potential negative impacts, however, the Change Fund will increase significantly in 2015-16 with adult health and social care integration the key area being taken forward as part of the new Change Fund. Over two million people in Scotland have long term conditions and they are the driver for both chronic and urgent care and support. The prevalence of multi-morbidity is rising, and the increase in the resources available to partnerships recognises that partnerships are not adopting innovative approaches at sufficient pace and scale to meet rising demand. Additional resource of £100 million will be allocated via Health Boards in 2015-16, and as well as resources available to partnerships locally, we are setting aside £20 million nationally to support the development and spread of good practice, the extension of technologies to support independent living, and workforce development support that benefits from a national approach.

## Sensory Impairment

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>

2013-14

2014-15

201

With life expectancy for people living in Scotland increasing, there is an expectation that there will be an increase in the number of people who experience hearing, vision or dual sensory loss at some time in their life. The Scottish Government has therefore worked alongside partners from the NHS, local government and organisations that represent people who have vision, hearing or dual sensory loss, to develop a Scottish sensory impairment strategy. The strategy, *See Hear: a strategic framework for meeting the needs of people with a sensory impairment in Scotland*<sup>11</sup>, was issued for consultation from April to June 2013. Following analysis of the responses to the consultation, the strategy will be launched in Autumn 2013.

The Scottish Government will provide funding to local partnerships to assist with the work required to implement the recommendations. Partnerships should ensure that attention be given to ensuring maximum sustainability once this funding ceases.

## Learning Disability

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>

The Scottish Government launched The keys to life<sub>12</sub> learning disability policy in June 2013. This has the human rights of people with learning disabilities at its heart, and focuses on the health inequalities of people with learning disabilities.

People with learning disabilities are more likely to be exposed to common causes of poor health such as poverty, poor housing, lack of employment, social isolation and discrimination. Many people with learning disabilities experience limited verbal communication skills which impacts on others' ability to understand health needs. Both paid and family carers play an important role in identifying health needs. Many people with more severe learning disabilities rely completely on others to communicate what their health needs are.

To tackle the ongoing challenge of reducing the health inequality gap faced by people with learning disabilities, the Scottish Government has offered additional financial support to help NHS Boards build on the work that has been ongoing since 2008 when Equally Well<sub>13</sub>, the report of the Ministerial Task Force on Health Inequalities, was launched. This funding programme will enable NHS boards and their partners to address the health inequalities recommendations arising from the evaluation of The same as you?<sub>14</sub> and this new national strategy.

The Learning Disability Health Inequalities Network comprises representatives from all NHS Boards and is facilitated by the Scottish Government. The Network meets on a quarterly basis to further enhance the sharing of ideas and services to avoid duplication of effort and ensure the best use of resources.

## Autism

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>

The Scottish Strategy for Autism<sub>15</sub> was published in November 2011 jointly with COSLA to address national and local action to improve the lives of people with autism spectrum disorder (ASD). Autism impacts on the whole life experience of people with ASD and their families.

The funding programme will enable statutory and third sector organisations to address the recommendations of this national strategy. The resources will be provided to implement the strategy in localities encouraging partnership working to ensure a better use of resources. Recommendations in the strategy aim to address access to diagnosis and post diagnostic support, the removal of barriers to services for people with ASD, training and awareness raising to ensure that professionals delivering services understand the needs of people specifically related to their autism and offer supports and interventions to meet individual needs.

## Self-Directed Support

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>17.0</b>	<b>12.0</b>	<b>12.0</b>

The Social Care (Self-directed Support) (Scotland) Act 2013 received its Royal Assent in January 2013. Under the legislation, local authorities will be required to offer people a range of choices for them to arrange their care and support.

The Act, together with the national strategy for self-directed support, will lay the basis for citizens to have greater choice and control over their care and support. Self-directed options, such as individual service funds or direct payments, can help people to make much better choices and achieve better outcomes.

However, access to self-directed support continues to be limited to younger adults, primarily those with physical disabilities. We must do more to change this and ensure equal access for all. The funding has been designed to enable statutory and third sector organisations to address the recommendations of the national strategy. In particular, it will deliver further investment in good quality information, support and advocacy services for individuals. It will deliver further transformation funding to providers and local authorities, with their funding peaking in 2013-14 to reflect the commencement of the legislation on self-directed support. This resource will help providers and authorities to reform the way that they deliver their role, working much more closely with people and ensuring that support plans are developed and delivered in partnership. We will also explore the options for further investment in workforce skills and development, ensuring that social care and health workforce are adequately prepared to deliver the values and principles of self-directed support.

## Equality

	2013-14 £m	2014-15 £m	2015-16 £m
<b>Expenditure</b>	<b>20.3</b>	<b>20.3</b>	<b>20.3</b>

The provision of funding for equality in this element of the budget enables spending to be directed at specific activities and interventions which promote equality, focus on tackling inequalities and discrimination and support those facing injustice and disadvantage. It supports frontline interventions, invests in equality infrastructure at both national and local level and helps to build the capacity and resilience of communities.

It will specifically enable continuation of the £3 million per annum Equality Fund, which is supporting projects across the range of equality interests. This Fund, which is operating over the period 2012-15, will for example support LEAP Sports, working in partnership with sportscotland, to increase the participation of LGBT communities in sport and to improve access and opportunities for these communities as a result of the 2014 Commonwealth Games, and enable work to mainstream complex communication support needs.

It will support three Funds tackling violence against women: the £3.5 million per annum Violence Against Women Fund, the £0.7 million Rape Crisis Specific Fund and the £3.5 million Children and Young People's Services Fund, which supports children and young people experiencing domestic abuse. During 2013-14 we are working with partners on a Violence Against Women Strategy.

## Summary points from EBS 2013-14

In the Equality Budget Statement 2013-14, the Health and Wellbeing portfolio made five specific commitments. These are set out below, along with an explanation of how these have been progressed:

**1. Funding for boards continues to be allocated in accordance with need and boards are supported to continue promoting equality through the strong programme of equality impact assessment in place in the design and development of policies and functions.**

Update: The Scottish Government continues to work with NHS Health Scotland to focus on initiatives that reduce inequalities in health, and to support territorial NHS Boards to tackle health inequalities, as set out in NHS Health Scotland's corporate strategy, A Fairer, Healthier Scotland<sub>16</sub>. NHS Health Scotland leads on development of Health Inequalities Impact Assessment (HIIA), which combines evidence on equality, health inequalities and human rights, and supports the Scottish Health Impact Assessment Network. This year (2013), NHS Health Scotland has supported 18 HIAs across NHSScotland and has

published guidance on undertaking health impact assessments of housing improvements.

Funds within this budget line are allocated each year using the NHSScotland Resource Allocation Committee (NRAC) formula. This provides a transparent and fair mechanism for allocating resources for hospital and community health services and GP prescribing among the 14 territorial NHS Boards. The formula is sensitive to differences in gender balance, disability groups, age groups, and socio-economic variation between the health boards, and makes provisions accordingly.

**2. Focusing on preventative spend and early intervention in order to address the needs of specific equality groups and tackle inequalities in health, e.g. the change fund for older people's services, Keep Well, family nurse partnership for teenage mothers.**

Update: The Reshaping Care for Older People Change Fund represents 60 per cent of the Scottish Government's £500 million preventative budget and provides a catalyst to increase the proportion of overall health and care spending on prevention and support at home.

Through Keep Well, people at greatest risk of ill health are actively identified and offered opportunities for early detection, advice and treatment. Keep Well contributes to tackling health inequalities by offering more resource to areas of deprivation. In the last year all NHS Boards have reported on their plans on how they intend to mainstream the Keep Well programme and make it part of their core activities. In these plans Boards have outlined how they are engaging or planning to engage with vulnerable groups in deprived areas such as carers, homeless people, offenders, Gypsies/Travellers and certain ethnic groups, who evidence suggests are at increased risk of heart disease and other health inequalities.

The Family Nurse Partnership programme is now being delivered across seven NHS Board areas. By the end of 2013-14, capacity will have increased to support an additional 700 families, bringing the total to 1,970. Early signs are that the programme is tackling health inequalities by improving the life chances of some of the most vulnerable families, with high levels of uptake and very low numbers leaving the programme before their child reaches two.

**3. Redesigning mainstream services to better support the needs of equality groups, e.g. through the integration of health and social care and self-directed support.**

Update: The Public Bodies (Joint Working) (Scotland) Bill was introduced to the Scottish



Parliament on 28 May 2013. The Bill provides the framework for the delivery of integration of health and social care. Health Boards and local authorities will be required to establish integrated partnership arrangements, which bring together budgets and planning for delivery of better outcomes for adults through integrated health and social care services, to ensure that people with multiple co-morbidities and therefore complex needs, many of whom are older people, have access to the right care, in the right place, at the right time. These integrated partnership arrangements, which will have locality planning led by professionals working with the third and independent sectors at their centre, will be partners in the process of community planning. The key outcomes they will be working towards will complement and fit with those set out in Single Outcome Agreements. The Bill is expected to receive Royal Assent in Spring 2014.

The Social Care (Self-directed Support) (Scotland) Act 2013 received its Royal Assent in January 2013. More information is included under 'Equality Considerations for 2014-15'.

#### **4. We will continue to monitor and report on progress on how the change fund is being used to achieve our aspirations of delivering better outcomes for older people in Scotland.**

Update: As well as being a key element in the Scottish Government's overall approach to preventative spend, the Reshaping Care Change Fund has worked as a lever for closer joint working, and accelerated changing attitudes, cultures and behaviours. It has provided a means of significant joint working between the statutory bodies and third and independent sectors, jointly testing and spreading innovative approaches to inform partnerships' longer term investment and disinvestment decisions. It has helped partnerships develop and implement Strategic Joint Commissioning, which will be embedded in the new legislation as a permanent way of planning and providing services locally after 2014-15. The Fund has been a catalyst for the changes envisaged in the Public Bodies (Joint Working) (Scotland) Bill currently before Parliament, particularly in relation to integrated budgets and the requirement to share partnership resources. We are working closely with Audit Scotland and other stakeholders to determine where the Fund has made most impact, and will take on board the lessons learned.

#### **5. We will continue to support a range of projects and interventions which will tackle discrimination and inequality and which will help to create a more just, tolerant, and equal Scotland.**

Update: During 2012-13, 61 projects across Scotland have been supported through the Equality Fund to take this work forward at a local level. In addition there has been investment in the equality infrastructure with support to a number of national organisations providing a focus on developing the capacity of communities and increasing the voice and participation of equality groups in the development of public policy and services.

Support has also been given to a range of programmes and interventions which address specific issues such as the gender pay gap, occupational segregation, independent living for disabled people, advice to older people, support for refugees and asylum seekers, race equality and the public sector equality duty. We published the updated vision for Independent Living for Disabled People and are currently working with stakeholders and disabled people's organisations on a strategic approach to independent living. During 2013-14 we will be publishing a strategy on Refugees in Scotland's Communities and a Statement on the Scottish Government's approach to race equality in Scotland.

Our work to promote mainstreaming and to ensure that equality is considered in the development of public policy has been assisted by the implementation of the public sector equality duty and the Scottish specific duties which came into force in May 2012. The

Scottish Government has published eight equality outcomes and its mainstreaming report, published in April 2013, outlined the progress being made on embedding equality across its functions and activities.

### **Improving reporting for next year's EBS**

The equality impact assessment of portfolio spending decisions will be further improved next year. Here the portfolio commits:

- To reinvigorate and refocus the Health and Social Care Equality Network with representatives from Finance and Analytical Services and at least one representative from each Directorate; and
- To work with the Leading Improvement Team to develop and implement a project to improve the EQIA process across the portfolio.

## APPENDIX 3: SAMPLE EQUALITY ANALYSIS

As an example of an equality analysis limited to gender and sexual orientation in an Irish context, below is an extract of 'Tasc, Winners and Losers? Equality Lessons for Budget 2012, 2011'.

### Highlighted findings

- TASC undertook a gender impact assessment of Budget 2011 to quantify the cumulative effects of the main changes to direct taxation, social insurance and social welfare payments on the income of women and men.
- Overall, those on the lowest incomes were hardest hit by the measured budgetary changes. They were adversely affected by the cuts to social transfers and by changes to taxation, specifically the introduction of the Universal Social Charge, widening of tax bands and reductions in tax credits. As women are concentrated in lower income groups, they suffered a disproportionate impact.
- The category most adversely affected by the measured Budget 2011 changes was the '*single with children*' group. This category has by far the lowest average income of all the categories studied, and has a very high ratio of females (73 per cent) to males (27 per cent). The cumulative impact of the budgetary changes on this category caused individuals in this category to lose five per cent of their income on average.
- The least adversely affected category was the '*married two incomes 70/30 - higher earner*' category, i.e. the higher earner within two earner households. This category had the highest gross annual income, which was reduced by an average of 1.3 per cent. This was also the category with the highest ratio of males (80 per cent) to females (20 per cent).
- The category '*single with children*' includes the households and groups that are most '*at risk of poverty*' and those experiencing '*consistent poverty*': lone parent households and children. The loss of income is likely to further exacerbate income inequalities and result in ever greater numbers being put at risk of poverty, as this is the group that is least able to absorb the burden of the adjustment. It is imperative that the budgetary measures chosen for Budget 2012 do not continue to impose the burden of adjustment on those groups in society least able to absorb reductions in income, and least able to withstand diminished access to vital public services.
- Single individuals without children were the largest category (58.5 per cent) in the analysed sample. Single men with no child dependents earning between €15,070 and €19,059 lost proportionately more of their income (4.25 per cent) as a result of the measured tax changes and social welfare cuts than any of the other income deciles in this category. Within this group, the average male earns closer to €19,059 upper limit. Therefore the lowering of the personal and PAYE tax credits, resulting in the reliefs expiring at earnings of €16,500 per annum, combined with the introduction of the seven per cent USC rate on annual earnings above €16,016, impacted proportionately more on the average earning male in this group.
- TASC recommends that all budgetary measures under consideration be subjected to an equality audit, whereby a full distributional analysis is undertaken to identify how different groups in society are likely to be affected.

This would inform a process of equality-proofing and gender-proofing the budget.

- TASC carried out a comparative analysis of the tax treatment of same sex couples who are registered civil partners, and married heterosexual couples, following the introduction of the Civil Partnership Act. The introduction of civil partnership addressed most of the inequalities relating to taxation experienced by same sex couples vis-à-vis married heterosexual couples. However, differences still remain and these differences mean that civil partners and their families still have fewer rights and protections than their married counterparts. The realisation of full equality between these groups can only be achieved through access to civil marriage.

## **Why gender budgeting?**

2.1 Economic inequality between women and men remains persistent and entrenched in Ireland. Women work fewer hours on average, earn less on average, own less and are more likely to live in poverty than men. This not only limits women's financial power and freedom, but also hinders their full participation in public life at local and national level, including their ability to attain in positions of power and influence.

2.2 The idea of gender-responsive budgets has developed out of a growing understanding that fiscal policy can contribute to narrowing or widening gender gaps in areas such as income, health outcomes and education. Fiscal policy can be a powerful tool for improving the living standards and opportunities of different groups of women and men. Although budgetary provisions may appear to be gender-neutral, this appearance of neutrality can more accurately be described as 'gender blindness', since the national budget generally ignores the different socially determined roles and responsibilities of men and women, and usually overlooks the different impacts that policies have on men and women.

2.3 A gender-responsive budget is not a separate budget for women. Rather, it is an approach which can be used to highlight the gap between policy statements and the resources committed to their implementation, ensuring that public money is spent in more gender-equitable ways. The issue is not whether we are spending the same on women and men, but whether the spending is adequate to meet women's and men's needs.

2.4 A gender-responsive budgetary analysis is also a tool for testing a government's gender mainstreaming commitments - associating policy commitments across government departments with their budgets. Without a suitable economic underpinning and systematic approach, a government's equality commitments are unlikely to be realised. Essentially, a gender-responsive analysis of budgetary measures can work by:

- Analysing one or more types of public expenditure, or methods of raising revenue, from a gender perspective.
- Identifying the implications and quantifying the impacts of these policies for women and girls as compared to men and boys.

2.5 A gender budgetary analysis can improve the effectiveness, efficiency, accountability and transparency of government policy, as well as make a significant contribution towards gender equality and the realisation of women's rights.

2.6 Expenditure and taxation policies have different implications for, and effects upon, women and men in terms of their contributions to both the paid and unpaid spheres of work.

A gender budgetary analysis can reveal these discrepancies and provide the government with the opportunity (in partnership with other actors) to integrate a gender analysis into economic policy.

2.7 Thus, a gender budgetary analysis can benefit society both by reducing social and economic gender inequalities, and by ensuring that public money is better targeted and spent more efficiently, thereby improving policy outcomes. This type of analysis also brings internal benefits to government. By strengthening the collection and analysis of gender-disaggregated data and enhancing the ability to determine the real value of resources targeted towards women and men, gender budget analysis can provide a better understanding of how resources are being spent and thus increase the efficiency of policy.

2.8 Gender budgetary analysis can cover the whole budget in terms of taxation and public spending; expenditure of selected departments or programmes; or specific changes to the tax system. TASC's gender budgetary analysis focuses on the two most significant areas of budgetary transfers. Specifically, the analysis quantifies the effects of budgetary changes on women's and men's employee income, and quantifies the effects of budgetary changes on women's and men's current transfer receipts obtained through social welfare provision. It is a static analysis. A comprehensive equality audit would ideally examine budgetary effects dynamically over time, including behavioural impacts, would incorporate impacts on all sources of income, and would incorporate the impacts of other budgetary measures such as changes to indirect taxation and changes to public services.

## **A profile of women and men**

2.9 In the context of the current recession, a number of key economic indicators demonstrate the different positions of women and men. Irish women work fewer hours and earn less than men. In relation to the labour market, the unemployment rate in Ireland now stands at 14.3 per cent of the labour force or 304,500. The male unemployment rate is now 17.5 per cent, while the female unemployment rate is 10.4 per cent. The employment rate for those aged between 15 and 64 has fallen from a peak in 2007 of 69.2 per cent, to a rate of just 59.6 per cent in 2011. Total employment fell by 292,600 between the second quarter of 2007 and the second quarter of 2011. The male employment rate has fallen from over 77 per cent in 2007 to 63.3 per cent in 2011 while the female employment rate has fallen from over 60 per cent in 2007 to 56 per cent in 2011. The EU target for women in employment was 60 per cent by 2010, a target that was met by Ireland in 2007 and 2008, but not in 2009 or 2010. Men worked an average of 39.4 hours a week in 2010 compared with 30.9 for women.

2.10 Women's poverty is increasing. The '*at risk of poverty*' threshold is the value below which a person is considered to be at risk of poverty. In 2009, the threshold was €12,064. Children (those aged 0 to 17) were the most vulnerable age group with an '*at risk of poverty*' rate of 18.6 per cent. In relation to household composition, people living in lone parent households were the most vulnerable group, with an '*at risk of poverty*' of 35.5 per cent. Ninety three per cent of lone parents are women.

2.11 'Consistent poverty' combines relative income poverty (i.e. the '*at risk of poverty*' rate) with material deprivation. The 2009 SILC data shows that consistent poverty levels increased from 4.2 per cent to 5.5 per cent between 2008 and 2009. Just under 17 per cent (one in six) of people living in lone parent households were in consistent poverty in 2009. This was the highest rate recorded among all household types.

2.12 In 2009, 8.7 per cent of children (aged 0-17) continued to live in consistent poverty and children accounted for 41.9 per cent of the all those living in consistent poverty. This

amounts to 91,954 children. Consistent poverty means that these children are living in households with incomes below 60 per cent of the national median income, and experiencing deprivation based on the agreed eleven deprivation indicators. Child poverty is a multi-dimensional problem and has knock-on exclusionary effects for children in terms of access to resources and participation in everyday activities such as education and play.

2.13 Table 2.1 shows the composition of women and men in employment and illustrates that men are four times more likely to be self-employed than women<sup>9</sup>. Figure 2.1 provides an overview of the economic status of women and men, and shows us that proportionately more men than women are employed and unemployed, reflecting that the employment rate for men is higher than that of women. There are also twice as many men classifying themselves as being ill/disabled compared to women. Most notable is the proportion of women engaged in home duties. In contrast, male respondents are much more likely than female respondents to categorise themselves as retired. Many women of retirement age may be self-categorising as engaged in home duties, rather than as retired. The ratio of females to males self-categorising as engaged in home duties is over sixty to one.

*Table 2.1: Composition of those in employment*

	Overall	Female	Male
Employee	82.6	91.8	74.6
Self-employed	16.2	6.5	24.6
Carer	1.3	1.7	0.9

*Figure 2.1 Respondents' principle economic status*

