

Gender Budgeting & Capability Approach

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This version May 2008

PUBLIC BUDGETING RESPONSIBLE TO GENDER EQUALITY

Bilbao 9th & 10th June, 2008

Introduction¹

The development of gender auditing and gender budgeting has been documented in critical surveys [amongst them Sharp and Broomhill (2002), and Stotsky (2006)] showing different models according to the government's involvement in the process (inside government, outside government, mixed types) and highlighting the results in terms of government accountability on gender issues, government and community awareness of the relevance of gender auditing, and in terms of policies evaluation, changes in the design of public policies or in the budgeting process itself.

After having introduced the definition of gender budgeting and the case for its implementation, this paper focuses on the application of Sen and Nussbaum's capabilities approach to gender auditing as proposed in the literature. The questions that it seeks to answer concern methodological issues and the implications of using this method with reference to experimental applications carried out at different government levels. In Italy the approach has been applied at regional level to the Emilia Romagna Region (Various Authors, 2003), to the Piedmont Region (Badalassi et al. 2007) and to the Lazio Region (Addabbo, Corrado, Galaverni, La Rocca, Misiti, Picchio and Squillante, 2007), and at district level to the districts of Modena (Addabbo, Lanzi and Picchio, 2004; Dalfiume, 2006), of Bologna (Addabbo et al. 2007) and of Rome. At municipal level it has been applied to the analysis of the budgets of the city of Modena (Addabbo, Lanzi and Picchio, 2004), where it is currently being again applied using a longitudinal analysis with regard to a restricted set of capabilities (including care and feeling safe).

The Second section of the paper introduces the approach and discusses the change of focus embedded in this methodology when applied to gender budgeting. The third section describes two initial steps in its application: the definition of a list of capabilities, and context analysis. The fourth section introduces matricial tools with which to apply the methodology and discusses empirical cases of its application, whilst the last section concludes with remarks on its dissemination.

¹ A first version of this paper was presented to the Nordic-Baltic Network on Gender Responsive Budgeting First International Conference on Gender Responsive Budgeting and Social Justice (Vilnius, 10-11 January 2008). I thank the Nordic-Baltic Network on Gender Responsive Budgeting for the inspiring exchange of ideas and the participants at the meeting and Antonella Picchio for their stimulating comments and discussion on a previous version of this paper.

1. The case for a gender analysis of public budgets

Gender auditing can be defined as²:

‘an analysis of the government budget to establish the budget’s differential impact on women and men and on different group of women and men.’

Budlender, Sharp and Allen (1998, 7).

The case for carrying out gender auditing of public budgets can be found in the unequal distribution of resources and the different behaviour by gender with respect to many choices that are relevant for the effects of public policies. By neglecting gender differences a policy design can loose in efficiency and reach different results from those expected. For instance as Budlender, Sharp and Allen (1998) clearly state if one neglects unpaid work and its different distribution by gender, one ends up in neglecting the costs of public policies:

‘Government budgets and policies that do not account for transfers in resource use between the market oriented, paid productive sector, and the unpaid reproductive sector cannot be guaranteed to be efficient. Instead, they are more likely to transfer costs than minimise costs. They are in danger of being a false economy. This can have feedback effects on other sectors in the economy. Additionally, because women provide a disproportionate amount of resources in the form of their unpaid labour in reproductive activities compared to men, such budgetary actions are also gender-biased. This raises important social justice questions about who bears the budgetary changes.’

Budlender, Sharp e Allen (1998, 24)

Himmelweit (2002) shows that by neglecting the existence of different preferences inside the family on the distribution of resources and by assuming income pooling, policies designed to alleviate children poverty will not reduce it when they do not allocate resources to the main carer (usually the mother who is found to care more for her children in the allocation of resources). On this regards by assigning child benefits in the UK directly to the main carer an improvement in efficiency has been obtained.

Having acknowledged the existence of gender inequalities, gender auditing can assess how public policies and their budgetary allocations are set to reach the desired aims and reduce inequalities in the distribution of resources by gender. An effective way to assess the impact of public budgets and policies on equality is to require ‘government agencies to identify gender disaggregated indicators of performance against which they can be assessed for improvements over time.’ (Sharp, 2000,16). In terms of equity for instance Sharp (2000), by analysing Australian Public Budgets, found a higher allocation of public funds towards the male dominated economic sectors raising an issue on equity in the distribution of public funds with respect to the gender distribution of resources according to the employment composition of sectors by gender.

Gender auditing experiences have also contributed to increase civil society participation and the understanding of public budgets machinery by civil society and parliamentarians (Byanyima, 2000) and in some cases contributed to the change in the process leading to the budget to allow for a wider

² On the change in the definition from ‘women’s budgets’ to ‘gender auditing’ and its meaning see Sharp and Broomhill (2002).

participation in the decision making.

A first phase in the gender auditing process is to get statistics and indicators by gender. However these data are often simply not available and a first 'side'-effect of gender auditing is therefore to reveal lack of data disaggregated by gender:

'In practice, an important spin-off from this has been that numerous gaps in gender-disaggregated data have been identified. In several cases this has resulted in the implementation of strategies to improve data collection at both individual government agency and national statistical bureau levels. Establishing criteria against which progress will be measured and ensuring the collection of adequate data are essential elements in any strategy for achieving gender equality' (Sharp, 2000, 17).

Not only the usual economic indicators must be disaggregated by gender to provide a clear description of differences and inequalities in order to start a gender auditing analysis, but the latter often needs data also on variables like unpaid work³ distribution, that are often not collected:

'The existing conceptual frameworks and statistics used to prepare National Budgets are gender blind (...) they fail to recognise that women's contribution to the macroeconomy is underestimated because of missing and biased markets and incomplete statistics. They ignore the fact that there is an unpaid economy (which has variously labelled 'domestic', 'social reproduction', 'reproductive') in which women do most of the work of caring for and maintaining the labour force and the social framework or social capital (neighbourhood networks and voluntary organisations, formal and informal)- both vital for the paid economy' (Elson, 1998)

By neglecting unpaid work, government neglects how cuts in certain types of public expenditures may lead to transferring the burden to those who are the main provider of care inside the family:

'A gender-aware budget strategy can be promoted by monitoring the time budgets of a country's citizens as well as the financial budget of the country. This information may be available from regular household surveys. If not, then time use questions, disaggregated by gender and age will need to be added. In the short run, useful data maybe gathered by women's organisation using rapid appraisal techniques at selected sites. Armed with information on time use, it is possible to frame another question of the sustainability of the deficit in the National Budget: Is the gap in the female time budget between the demands of unpaid work, and the time left available for it, sustainable? Or are the human resources of women, and girls, being depleted by over work? If this gap becomes too large, there will be negative feedback effects to the market economy which reduce productivity and increase costs, very often leading to the need to increase public expenditure, to repair damage to the social framework, for instance expenditure on insurance, policing, social workers, repairs to public property. Ultimately this undermines the sustainability of the

³ Picchio (2003) has shown the changes in the macroeconomic model that occur when one accounts for unpaid work whose relevance in gender auditing has been analysed also by Byanyima (2000), Elson (1998) and Himmelweit (1999, 2002) see also Section 2 of this paper on its relevance for the capability approach to gender auditing.

budget strategy.

Thus if the Budget deficit has been reduced by expenditure cutback which place great reliance on women's unpaid work to substitute for public services, while at the same time, making men surplus to requirements, then there is a danger that its sustainability will prove illusory in the long run. Certainly, budget policy will not be providing a good foundation for the longer run achievement of growth combined with human development, because its depleting human and social resources.' (Elson, 1998).

Budlender, Sharp and Allen (1998) and Elson (1998) state that to perform gender auditing also the indicators on the evaluation of the quality of services must be disaggregated by gender.

Therefore a first step in the gender auditing analysis is to get the right data and to institutionalize the need of data collection that is gender sensitive to ensure the continuity of the gender auditing process.

The analysis of public budgets often starts with an analysis on the expenditure side of the budgets.

Expenditures have been classified in three groups according to their gender impact:

1. Expenditures directly targeted to women or to men (for instance to lone mothers or to women's health);
2. Expenditures targeted to the aim of reaching equal opportunity (for instance expenditure in training devoted to get more women in apical positions)
3. Other expenditures (on average 95%-99% of the budgets) whose indirect gender impact should be established.

Looking at the revenue side of the budget the higher elasticity of female labour supply to wages and the existence of wage gaps at the disadvantage of women bring about a discouragement effect of joint taxation. One has not only to look at the system of taxation but also at the criteria adopted for access to public services where often means testing imply joining family members' income (Addis, 1999 and Himmelweit, 2000). Lower female employment rates and lower female labour income make men (probably more subject to labour income taxation and to higher marginal tax rates) more hit by the increase in labour income taxes.

On the other hand women tend to be more hit by indirect taxation:

'A gender analysis of value-added tax in South Africa showed that the very poor were paying 9.02% of household income on VAT, while the very high income category was paying only 5.41%.(...) It was also observed that women's involvement in the informal sector, and mostly in retail activities, made them very vulnerable to the impact of VAT'. (Byanyima, 2000, 14)

Different models of gender auditing are defined according to the government's involvement in the process:

- inside government: the experience of gender auditing is carried out inside the institution involved in gender auditing. A first experience of this type of gender auditing can be found in Australia (Sharp and Broomhill, 2002). Other cases of inside government gender auditing can be traced in the Commonwealth, Philippines, Namibia (Sharp, 2000) and inside government stimulated by community based gender auditing can be found in South Africa since 1999 (Byanyima, 2000). This type of gender auditing has the advantages of having access to data and budgets more easily and could imply a change in the way of collecting data and indicators to evaluate public policies. However as long as it is completely separated by the civil

society a change in the government could rule out the continuity of gender auditing. Moreover not always changes in the machinery, that the inside government gender auditing experiences indicate as necessary, have been implemented.

- outside government or community based gender auditing. These experiences place the burden of gender auditing outside the institution and can be found in the UK (Himmelweit, 1999), in South Africa (Sharp 2000, Budlender, 1998, Byanima, 2000), in Canada (Loxley, 2000), in Scotland, Switzerland and in Washington (Sharp 2000), India, Zimbabwe, Israel, Kenya, Mexico and Peru (Bettio, Rosselli and Vingelli, 2003). Amongst the advantages of this type of gender auditing one can consider the independence of the institution that carries out gender auditing. This should grant a more independent assessment of government's policies. The higher proximity to civil society of institutions outside the government can also ensure a better and wider diffusion of gender auditing results across the society and a continuity of gender auditing also when the government changes. Moreover the institutions that carry out outside government gender auditing can develop coalitions with other associations to make pressures on the government with respect to certain policies or in obtaining a change in the timing of budgets to ensure participation of other society institutions to the approval of public budgets (Himmelweit, 1999). However the institutions that perform outside government gender auditing can have a more difficult access to data and lower resources to carry out the analyses required and to spread the results obtained. Outside government gender auditing experiences have also been a stimulus for inside government gender auditing. This has occurred for instance in South Africa or in Tanzania (Byanyima, 2000).
- mixed types that involve both the government and the civil society like the one experienced in Uganda and in South Africa (Byanyima, 2000).

2. A change of focus

The use of Sen and Nussbaum's capability approach extends the focus of gender auditing to the impact of policies on well-being, with its multiple dimensions and complexity, starting from an evaluation based exclusively on income or commodities. Well-being is defined at the individual level, and this, also according to feminist economics, requires investigating what happens inside the family and recognizing the possibility of conflicts amongst its members on the construction of well-being. Sen's approach to the definition of individual well-being regards it as a set of capabilities representing potential functionings, a person's freedom in terms of available functionings (the beings and doings of a person) given his/her personal features and command over resources (Sen, 1985). Capabilities can therefore be defined as the individual's opportunities to achieve functionings (like being well-sheltered, in good health, educated).⁴ The achievement of functionings is affected by 'conversion factors' (Robeyns, 2005, 2008) related to the environment, society, and the individual. Institutions can play a key role in affecting conversion factors. For instance, by providing public schools, the State can directly affect social factors that enable the capability of being educated to be converted into achieved education; and by establishing norms to reduce pollution, the State can affect the conversion of the capability to live a healthy life into not being ill, or suffering from respiratory diseases. The government should "think from the start about what obstacles there are to full and effective empowerment for all citizens, and to devise measures that address these obstacles" (Nussbaum, 2003, p.39).

Robeyns (2007) has analysed the gender sensitiveness of the capability approach as an evaluative framework linked to its multidimensional focus on functionings and capabilities (changing the focus from means to ends) and on the centrality of human diversity (with different models and

⁴ See Sen (1985, 1993, 1999).

metrics to evaluate, but also with group-dependent constraints that can affect the conversion of capabilities into functionings) and individualism.

The gender perspective entails knowledge about the different roles played by men and women in the definition of well-being. If account is taken of the centrality of social reproduction as recognized by Picchio (1992, 2003), Elson (1998) and Himmelweit (2002), women's role in the production of well-being for other members of the family is made explicit and, in the capability approach, the effect of this contribution on the development itself of women's capabilities is revealed.

This unequal distribution of labour is bound to produce differentiated effects of public policies, and if neglected, it may produce inefficiency in the policies enacted and/or may fail to recognize who will pay the costs of changes in public expenditure. Elson (1998) highlights the centrality of the interaction between public policy and the distribution of unpaid work by gender and the implications of public expenditure cutbacks in terms of the increase in women's unpaid work and the costs of the connected depletion of women's human resources due to their overwork, which in turns is bound to have effects on the sustainability itself of budget cutbacks in the long run.

By neglecting the changes in unpaid work inside the family that can occur after a reduction in the provision of public services, one is bound to ignore the shifts from public services to private (and mainly women's) unpaid work and its costs in terms of the human resources employed in the process and the unequal distribution of work by gender.

The effects that have been recognized and stressed in the literature and in the application of gender auditing to public policies will reproduce long-lasting differences when these effects are seen in the capability approach to gender auditing. The unequal distribution of total work by gender (Picchio, 2003) that makes women mainly responsible for the unpaid activities of care of children and elderly, in a context where child care and elderly care public services are rationed (as in Italy), can have negative effects on the development of other capabilities for the main carers, who face time constraints and discrimination in their access to the labour market. If women, owing to their total (paid and unpaid) work load, are less likely to engage in life-long learning, this may hamper the development of the capabilities of being educated and that of accessing resources (reducing the probability of career progression).

The effects of this unequal time distribution is apparent not only on the main carers' capabilities but also on those of the other family members. The unequal distribution of care work within the family reproduces differences in the intra-household development of the capability to care for others, and it induces fathers to make lesser use of parental leave (when there is the legal possibility to take such leave, and where the employer and the firm's culture make it feasible, applied analysis on the take-up of parental leave in Italy shows that, although the legal right exists, the latter conditions are not often satisfied) and to play a weak role in their children's education and growth, with psychological costs for the children.

This awareness requires not only analysis of data on the well-being of each family member and on unpaid work, but also the devising of policies able to tackle the gender inequalities produced within the family by an unequal distribution of total work (in quantitative and qualitative terms) that can give rise to an unequal development of capabilities.

3. Context analysis and capabilities

A methodological problem to be addressed when applying the capability approach (not only to gender auditing but in any evaluation of well-being) is how to define a list of capabilities to be used. One can employ the universal list of capabilities defined in Nussbaum (2000, 2003), or follow the procedural approach described by Robeyns (2003a) or, as suggested in Addabbo, Lanzi and Picchio (2004), define a list on the basis of the functions of the institution involved in gender auditing. The process leading to the definition of a list of capabilities can be participatory. A participatory definition of the list can increase community participation in the auditing process and awareness of

gender differences, and it can lead to governmental commitment to a given list.⁵

When a list of capabilities has been drawn up, the next step in the capability approach to gender budgeting is to conduct context analysis and devise indicators that can be used for policies evaluation. However, when capabilities are used as the referents for gender budgeting, difficulties arise in their measurement. Primary data sources on capabilities are not easily available, and one is often forced to use secondary data sources, thus encountering difficulties in the measurement of capabilities.⁶ One can therefore find measures in the available data set of the achieved functionings and on conversion factors that affect the achievement of functionings.

Public policies can play a role in the development of capabilities by creating the social environment for their development. Exploratory analysis on the possible constraints inducing the unequal development of capabilities by gender, and therefore unequal gender well-being, should be performed as the basis for the subsequent capability approach to gender budgeting analysis.

Analysis of the context using a gender perspective highlights differences in the development of paid-work capability by gender, with women being less likely than men to be employed, and to be employed in standard positions.⁷ This in turn relates to the capability to be educated (in fact, more highly-educated women are more likely to be employed and to be continuously employed over their life cycle). Examination of the interaction among different capabilities yields useful data as the basis for assigning government spending to the development of different capabilities. In this regard, a useful secondary source of data in Italy is the ISTAT Multipurpose Survey, which was used in the context analysis for the gender auditing of the Lazio Region's budgets using the capability approach in Addabbo, Corrado, Galaverni, La Rocca, Misiti, Picchio and Squillante (2007). The survey furnishes data on the interaction among different capabilities. For instance it provides data on how a person's access to health services is constrained by lack of income; in this respect, it reveals how the achievement of paid-work capability interacts with the capability to live a healthy life. Empirical analysis shows that women are more at risk of not having access to specialist examinations because of their costs (this has been found with respect both to the Lazio region and Italy as a whole), the difficulties being higher for women living alone or for single mothers.

⁵ See Nussbaum (2003), Sen (2004) and Robeyns (2003) on the debate on endorsing a list of capabilities.

⁶ On the operationalization of the capabilities approach see Anand et al. (2004, 2005), Kuklys (2005), Robeyns (2003b), Chiappero Martinetti (2008) and Addabbo, Facchinetti and Di Tommaso (2004).

⁷ By 'standard positions' are meant full-time permanent jobs.

4. Tools for the application of the capability approach to gender budgeting.

Once the list of capabilities has been defined and the context analysis has been performed, a new tool is introduced to apply the capability approach to gender auditing/budgeting to the analysis of public budgets: a matricial representation of capabilities by different items of public budgets. The rows of this matrix are the capabilities, and the columns (whose choice defines a different matrix) are:

- departments of institutions (as in the capability approach to gender auditing proposed in Addabbo, Lanzi and Picchio, 2004) or
- budget-responsible units and/or elementary cost units of institutions (as in the capability approach to gender auditing analysis of the district of Bologna's 2005 budget, in Addabbo et al., 2007) or
- the institution's targets as defined in the mandate budget or in other institutional programmes (as in the capability approach to gender auditing of the Piedmont Region's 2006 Budget used by Badalassi, 2007, and in the capability approach to gender auditing of the Lazio region used by Addabbo, Corrado, Galaverni, La Rocca, Misiti, Picchio and Squillante, 2007)

The following matrix has been constructed by interacting a list of capabilities embedded (according to the research group) in the functions and mandate programme of the institution analysed (in this case the district of Bologna) with reference to the various responsible units in the local government (Table 1). For each responsible unit, the contribution of the local government to supporting each capability can be analysed with reference to the elementary costs unit (Table 2) by using documents that enable the experts to select the programmes connected to each capability in the list.

Table 1 – Matrix of capabilities and responsible units – District of Bologna

Capabilities Responsible Units	Cognitive	Access to public and private resources	to live an healthy life	to care for oneself and others	to enjoy art and culture	to live in adequate, healthy and safe spaces	Physical mobility	Participation and active citizenship
01 Planning								
02 Communication								
03 General Secretariat								
04 General and Institutional Matters								
05 Law and administrative unit								
06 Public Work Coordination								
07 Managing and Internal audit								
08 Estate, School and Provincial Education Office								
09 Budget, economic and finance planning								
10 Human Resources								
11 Electronic information systems and services								
12 Environment								
13 Agriculture								
14 Animal protection and development								
15 Transport and land planning								
17 Personal and Community Services								

18 Culture, Sport and tourism								
19 Crafts, Trade and Manufacturing								
20 Road conditions								
21 Building								
22 General Management								

Source: Table 1 p.13 in Addabbo, Corrado, Ferrari and Picchio (2007)
our translation

Table 2 – Capabilities by responsible unit, cost units, programmes and activities

Responsible Unit	Cost Unit	Programme	Activities	Capabilities

Source: Addabbo, Corrado, Ferrari and Picchio (2007) p.16
our translation

Having analysed the possible direct and indirect impact exerted on the development of the capabilities by each unit and by each programme related to that cost unit, one can use the indicators collected in the context analysis with regard to that specific capability to assess the impact of the programmes and to provide policy suggestions (Table 3).

Table 3 – Capabilities, context and policies suggestions

Capabilities	Indicators	Context	Policies Suggestions

Source: Addabbo, Corrado, Ferrari and Picchio (2007) p.17 our translation

A complete gender auditing analysis using the capability approach would require analysis of the

contribution of different sectors to structural support for the different capabilities embedded in the government and/or the contribution of different levels of government to the capabilities, making the interaction and the responsibility of each level of government visible (Table 4). Table 4 reports a list of capabilities more general than the one defined in Table 1, because in this case we need a more general definition of well-being that relates to more than one local government. The analysis can also be extended to other social actors operating in the area; these may interact with public government in the structural support for well-being and capabilities development.

A first step is to state, on the basis of each level of government responsibility, whether that institution affects the development of a capability. Hence, by analysing budget data and programmes (using the tools defined above), we obtain an estimate of the share of total expenditure disaggregated by type (current and capital/direct and indirect).

In this regard a methodological problem concerns the assignment of the expenditure related to a given programme which can affect more than one capability, so as to avoid multiple counting. One solution used in the empirical analysis has been to assign the programme expenditure entirely to the capability most directly connected to the aims of the programme, although acknowledging the effect of the same programme on other capabilities. For instance, training programmes affect both the capability to be trained and educated and the capability to work (if they positively affect the individual's probability of being employed). One can assign the expenditure entirely to the cognitive capability whilst acknowledging its likely effect on other capabilities as well. Programmes on improving road conditions can positively contribute to the capability of physical mobility, and this may in turn improve the capability to work by reducing commuting costs and time constraints. In this case, too, the criterion of the greatest impact of the expenditure may require that this programme be assigned entirely to the capability of physical mobility. Schemes by the Modena Municipality Economic Activities Department to create crafts and small trade firms in an area of the town directly affected the capabilities to work of those people – also women – directly involved in the programme; but they also, as applied research showed, contributed to the capability to feel safe of inhabitants and passers-by. The assignment of programmes to capabilities is certainly not straightforward, and it requires budget analysis as well as qualitative analysis based on interviews with department managers and officers that can be extended to civil society members. When applying this approach to the Piedmont region's budget, Badalassi (2007) conducted qualitative evaluation inside the government by establishing how the region's total expenditure could be distributed by each capability, whilst Addabbo, Badalassi, Corrado, Ferrari and Picchio (2007) restricted their analysis to selected centres of responsibilities, whose effects on different capabilities in the District of Bologna's budgets were analysed.

Table 4 – Matrix of capabilities and level of government

Level of government				
Capabilities to:	Municipality	District	Region	State
Be trained and educated				
Be informed				
Work				
Access to public resources				
Live a healthy life				
Feel secure				
Care for oneself				
Care for others				
Enjoy art and culture				
Live in adequate, healthy and safe shelter				
Physical mobility				
Participation and active citizenship				

On analysing the gender effect of programmes using the capability approach, reference is made to the analysis of capabilities and their functionings in the area. Schemes to promote employment in the Lazio Region (Documento di Programmazione economico finanziaria regionale 2008-2010) can contribute positively to the development of capabilities to work (whose measurable functionings show a gender gap to the disadvantage of women) and to the capability to be trained by acquiring on-the-job-training. The link revealed by the context analysis between the capability to work and other capabilities (like living a healthy life) and the observed gender differences entails consideration of the planned expenditure relevant to work capabilities (and in this regard the evaluation should provide data on the net effect on the employment probabilities of the beneficiaries by gender, as well as data on the quality of the employment created) and indirectly to other capabilities as well.

Application of the capability approach to gender auditing at the municipal level of government (a level of government that, in the Italian system, is closer to citizens' daily life-needs) by Addabbo, Lanzi and Picchio (2004) on the Municipality of Modena shows how different actors have roles in the building of citizens' well-being.

In this step, the extended flow of the well-being production described theoretically by Picchio (2003) can be implemented with reference to the area on which the government subject to gender auditing has a direct effect.

Researchers thus highlight the network of actors that can affect well-being at local level and the interactions among them, focusing on each well-being dimension. By using the capability approach in a gender perspective to audit policies and expenditures at local level, it is possible also to reveal contradictory outcomes of the policies enacted by different sectors of the same government, different levels of government, or different actors at local level.

For instance, with regard to the capability to care of children aged 0 to 3 years old in Italy, and taking the case of the Modena Municipality, one can recognize the interaction between women's associations and the municipal government in the building of municipal public childcare services⁸ that directly affect the capability to care of the children and indirectly affect the capability to work of their parents (showing a greater effect on mothers' labour supply, which is found to be more sensitive to the presence of child care services), and (because of the way in which they are designed to encourage parents' participation) the capability of the parents to participate in society. One can also see how families can contribute by paying fees to use the services, and how other levels of government (Region, the State) or other institutions (bank foundations, firms) can play a role by funding public child care services, or by opening child care facilities within firms that make places available not only to employees' children but also to those of local residents. However, analysis of all the departments in the municipality showed that child care services are provided by the Public Education Sector, and that there is another department (the Social and Health Services Department) responsible for a policy that pays an allowance, subject to means testing, to families during their child's first year of life, provided that one parent leaves his/her job to care for the child and that the child does not attend a public child care facility for that year. This allowance may affect the capability to care directly for the child of the parents, but it has been found to negatively affect the capability to work of mothers, who are more likely to quit work and not return to their jobs after their child's first year of life.⁹ This is an example of how two different sectors of the same government can have contrasting effects on the same capability which is of special importance when taking a gender perspective in the local context (owing to the gender differences that the context analysis may reveal): the capability to work and its conversion into the functioning of being employed. By supplying the public child care services, the Public Education Department can reduce

⁸ The interaction between the two actors in the creation of the services was recognized by means of a historical analysis of documents and interviews relating to the time when the services were created in the town. The results of this analysis are in Addabbo, Maestroni, Picchio and Rovinalti (2003).

⁹ A microsimulation analysis of this policy induced Addabbo, Lanzi and Picchio (2004) to highlight this discouragement effect on women's employment probability.

the constraints on the allocation of parents' time that are particularly binding for mothers (who, according to the observed distribution of unpaid work, are still mainly responsible for child care within the family) and enable conversion of the capability to work into the functioning of being employed. On the other hand, the allowance paid to parents during the child's first year of life and introduced by the Social and Health Services Department of the same municipality, given the current gender distribution of unpaid work and the current gender wage differentials, induces mothers to leave their work for one year to take care of their child, an interruption that has been found to have a negative effect on mothers' capability to work, reducing their probability of returning to employment afterwards. The application of gender auditing under the capability approach revealed these contrasting effects to the local government, and a monitoring of parents' employment condition after the first year of the allowance has been suggested.

Attendance at public child care facilities may increase the capability to social interaction of children and their families, but this positive effect on social interaction is limited if the child care service is reserved for only the children of the firm's employees. The provision of child care at the firm level has a negative effect on the development of social interaction if it is not available to other citizens' children as well. This shows how the action of different actors may have contrasting effects on the same capability. In the case of the Municipality of Modena, this contrasting effect was remedied by opening the firm's child care services to the town's residents not employed by the firm, and allocating a percentage of places in the facility to the latter.

The same policy may have contrasting effects on different capabilities. Consider the introduction of limited car access to town centres established by local governments. This will have a positive effect on the capability to live a healthy life if it reduces pollution, but it may have a negative effect on both the physical mobility and feeling safe capabilities; a negative effect that directs attention to implementing the service with regard to those subjects who are more vulnerable. Various policies have been adopted to reduce the negative effect of this limit: they range from reduced (and publicly subsidized) taxi fares for unaccompanied women, to places reserved for women in car parks served by 'park and ride' facilities, and the increased policing of town centres.

5. Dissemination

One of the main problems encountered when applying gender auditing is communicating the results to the administrative body and community. This is a necessary step to increase awareness and make the approach a stable part of the budgetary process. In this regard, the use of the language embedded in the capability approach for gender auditing can make communication easier. As noted in Addabbo, Lanzi and Picchio (2004):

‘With regard to local public budgets, the capability approach introduces a shift of perspective from means to ends. As it happens for the human development approach with regard to income. Monetary expenditure and revenue are means and residents’ well-being is the end of policy. This shift of perspective leads to a change of language, from a technical financial one, difficult to understand even for the administrators themselves, to a common language able of expressing residents’ quality of life.’(Addabbo, Lanzi and Picchio, 2004 pp.16-17)

The experiments conducted confirm this finding by showing that the kind of language used is able to enhance communication amongst the different levels of government involved in the process. This has been evidenced, for instance, by the contacts established by the Province of Modena with other municipalities in the district to promote the application of gender auditing also to the municipalities in the district, with a view to the extensive application of the capability approach to gender auditing. By sharing the same tools of analysis and by focusing on the extended definition of well-being, new experiments are currently being carried out at local level in Italy to reconstruct the gender impact of different levels of government on capabilities.¹⁰

¹⁰ A multilevel analysis has been performed experimentally in the Emilia Romagna Region, also involving the Modena district and municipality (Various Authors, 2003) and it is currently being conducted in the Piedmont Region, involving the Turin district and municipality.

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