



KEY ASPECTS IN THE IMPLEMENTATION OF GENDER-RESPONSIVE BUDGETING IN UZBEKISTAN

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ABSTRACT	KEY WORDS
<p>The article examines gender-responsive budgeting in Uzbekistan, its fiscal implications, and its role within public financial management. Using gender analysis and institutional assessment, the study highlights gender disparities, evaluates challenges in budget implementation, and draws on international experience to propose measures for integrating GRB into the national budget system.</p>	<p>Gender-responsive budgeting, public financial management, Uzbekistan, gender equality, labor force participation, fiscal sustainability, budget efficiency, gender indicators, policy implementation, international frameworks</p>

Introduction

According to the official statistical data of the World Bank, the level of women’s participation in the labor market in Uzbekistan amounts to 39.4 percent. [1] This indicator is 32.9 percentage points lower compared to the participation rate of men, which means that women’s involvement in economic activity is almost twice as low. Such a significant gender gap in labor market participation negatively affects the sustainable development of the national economy. As argued by Diane Elson, gender inequality is not only a matter of social justice but also a source of economic inefficiency. Addressing these challenges requires the systematic introduction of gender-responsive budgeting as an integral component of public financial management. GRB entails the incorporation of gender perspectives into all stages of the budget cycle, including planning, allocation, execution, and evaluation, with the objective of ensuring that public resources respond equitably to the distinct needs and constraints of women and men. By doing so, GRB enhances allocative efficiency and increases the social returns of public expenditures.

Conversely, budgets that do not incorporate a gender perspective are effectively gender-blind. Such budgets assume neutrality in resource allocation while, in practice, reproducing and potentially exacerbating existing gender inequalities. When gender disparities in labor market participation, access to productive resources, and unpaid care responsibilities are not explicitly addressed, public spending may be inefficiently allocated, resulting in suboptimal economic outcomes and weakened fiscal effectiveness.

Evidence from UN Women indicates that Uzbekistan lags behind not only global benchmarks but also several Central Asian countries, including Kazakhstan, in terms of women’s economic participation.

[2] This gap reflects the underutilization of female human capital and constitutes a structural constraint on economic growth. Given that women represent nearly half of the working-age population, their limited engagement in economic activity implies significant opportunity costs for national development.

In this context, the adoption of gender-responsive budgeting represents a viable and effective policy instrument for improving budget efficiency in Uzbekistan. By aligning fiscal priorities with gender-specific needs, GRB can support increased female labor force participation, enhance women's access to economic opportunities, and reduce persistent gender gaps in the labor market. Ultimately, integrating GRB into the national budgeting framework can contribute not only to the advancement of gender equality but also to the achievement of inclusive and sustainable economic growth.

However, despite the growing international experience with gender-responsive budgeting, the extent to which GRB principles are institutionally embedded in Uzbekistan's fiscal and budget system remains insufficiently examined. Therefore, this article aims to assess the institutional and fiscal constraints to implementing GRB in Uzbekistan and to develop policy recommendations based on international PFM standards.

Literature Review

British economist Diane Elson is recognized as one of the scholars who developed the theoretical foundation of gender-responsive budgeting. According to her, the state budget is not "gender-neutral" — it affects women and men differently. Elson argues that gender inequality is not only a matter of injustice, but also a factor that reduces economic efficiency. Based on the evidence she presents, when women do not have equal access to education and resources, a country may lose up to 25 percent of its GDP. [3]

While Elson provides the theoretical justification for GRB by emphasizing efficiency losses from gender inequality, the IMF demonstrates that even advanced economies face institutional constraints in embedding gender analysis within PFM systems. This suggests that the challenge of GRB implementation is not merely normative, but structural and administrative in nature. According to the IMF's *Gender Budgeting in G7 Countries* (2017) [4], effective implementation of gender budgeting depends critically on the strength of Public Financial Management (PFM) institutional mechanisms. The report identifies key instruments such as Gender Budget Statements, Gender Impact Assessments, gender-disaggregated performance reporting, and gender audits as essential tools for integrating a gender perspective throughout the budget cycle — including formulation, allocation, execution, and oversight. Ministries of finance are highlighted as playing a central coordinating role in designing and operationalizing these instruments.

However, the IMF finds that the expansion of PFM-based gender budgeting tools across G7 countries remains limited. None of the G7 countries has established a dedicated legal framework for gender budgeting. Formal Gender Budget Statements are published only in Canada, France, and Japan. Mandatory Gender Impact Assessments of new budget measures and tax policies are conducted in only three countries — Canada, France, and the United Kingdom — while in the United States such assessments are undertaken on a voluntary basis.

Gender-disaggregated information is generally not integrated into budget execution reports, with Japan representing the main exception. Parliamentary scrutiny of gender impacts varies: France systematically presents gender-related analysis during the annual budget process, and engagement is

relatively stronger in the United Kingdom and the United States. Supreme audit institutions have played only a limited role; according to the IMF, comprehensive gender-budget-related audits have primarily been undertaken in Canada.

Institutional coordination mechanisms are also underdeveloped. The IMF notes that only Japan has established a formal Gender Equality Council to coordinate gender-related policies across government entities.

Despite growing theoretical and institutional advancements in gender-responsive budgeting, the literature indicates that effective implementation depends heavily on the maturity of PFM systems. In the context of Uzbekistan's ongoing public financial management reforms and gradual transition toward performance-based budgeting, the institutional feasibility of integrating GRB tools requires systematic evaluation. This gap necessitates a structured institutional assessment based on internationally recognized PFM standards.

According to the PEFA framework and related international guidance, gender-responsive budgeting (GRB) should be understood not as a separate budget for women and men, but as an approach that integrates gender considerations into the entire public financial management (PFM) cycle. In line with the definitions provided by Stotsky (2016), the OECD (Downes, von Trapp, and Nicol 2017) GRB represents the systematic use of fiscal policy and budgetary tools to promote gender equality. PEFA-related analyses emphasize that gender-responsive public financial management (GRPFM) requires the formulation of budgets in a gender-sensitive manner, the alignment of gender policies with adequate financial resources, equitable budget execution, and the monitoring of revenue and expenditure impacts from a gender perspective. International institutions, including the IMF and OECD, argue that GRB does not require a fundamentally new budgeting system; rather, it involves adapting and strengthening existing PFM institutions, legislation, and reporting mechanisms to explicitly incorporate gender objectives at all stages of the budget cycle. [5]

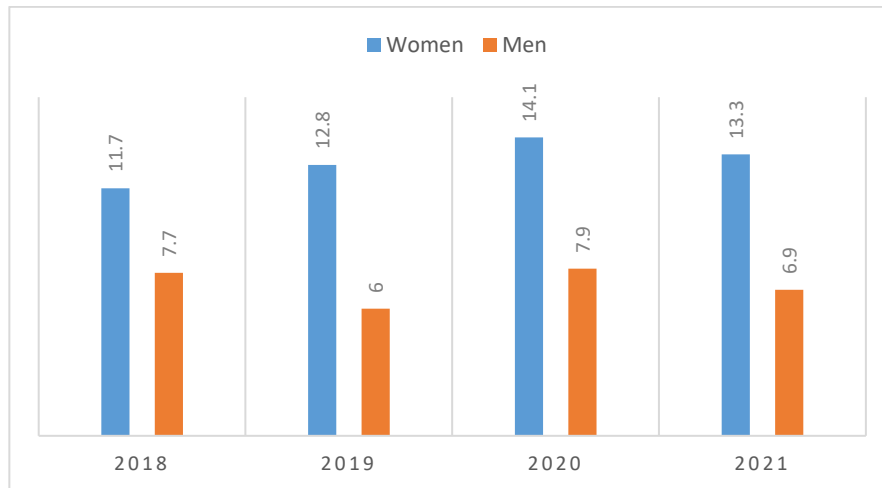
Research Methodology

The study examines the implementation of gender-responsive budgeting in Uzbekistan using systematic analysis, descriptive and comparative methods. Secondary data, international GRB frameworks, and gender equality indicators are analyzed to draw conclusions and propose recommendations for integrating GRB into the national budget system.

Analysis and Discussion of Results

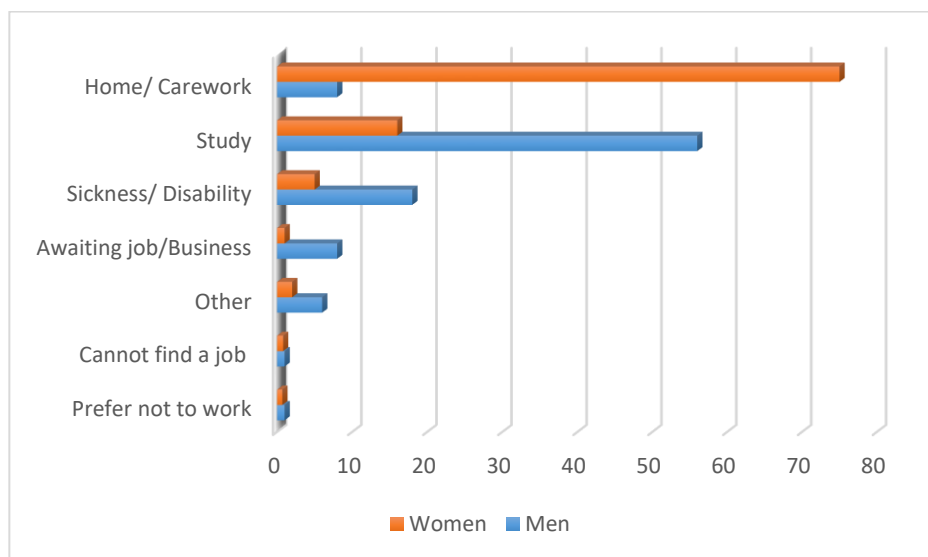
Gender disparities in Uzbekistan remain a systemic issue directly affecting the country's economic development process. Although women's low participation in the labor market is often explained by social stereotypes or institutional constraints, its consequences are considerably broader: this situation negatively impacts macroeconomic stability and budgetary efficiency, while also increasing fiscal risks.

According to 2024 data, the female labor force participation rate stood at 39.4 percent, which is significantly below the global average (approximately 51 percent). [6] Moreover, gender disparities in non-employment are closely linked to the unequal distribution of unpaid care responsibilities, which act as structural economic constraints on women's labor market participation.



1-diagram. Unemployment rate for men and women [8]

For example, while female unemployment reaches 13.3% compared to 6.9% for men, a substantial proportion of economically inactive women remain outside the labor force due to home and caregiving duties.



2-diagram. Reasons for non-work among the unretired [8]

This limits the effective use of human capital, narrows the tax base, reduces social contribution inflows, and increases long-term fiscal pressures. Therefore, investment in care infrastructure and gender-responsive labor market policies should be treated not only as a social measure but as a strategic priority in fiscal policy and public financial management.

According to reports by the World Bank, if women in Uzbekistan were economically active at the same rate as men, the country’s gross national income could increase by 29 percent. [8] Thus, gender disparities are not merely an issue of social equity, but also a critical economic factor closely linked to national income growth and the sustainability of the state budget.

Gender disparities negatively affect the public financial system in several key dimensions:

- Weakening of fiscal capacity. Low female employment leads to a contraction of the tax base. When the share of the economically active population declines, revenues from personal income tax and social contributions also decrease. As a result, the state's fiscal capacity weakens, and budget stability becomes more vulnerable to external shocks.
 - Increase in budget expenditures. When women's economic participation is constrained, pressure on social spending intensifies. Higher dependency ratios within households increase the demand for state-funded social assistance programs. Moreover, the slow transition from education to the labor market generates additional budgetary expenditures in healthcare, social services, and care infrastructure.
 - Income inequality as a fiscal risk factor. Disparities in wages and job quality also constitute a source of fiscal risk. Women are often concentrated in low-paid or informal sectors, resulting in lower taxable income. This reduces tax revenues and negatively affects the accuracy of budget forecasts. According to international research, the gender wage gap in Uzbekistan's labor market exceeds the global average, with women earning significantly less than men.
 - Constraints on labor market integration. Social norms and gender roles formed over many years limit women's economic integration. The disproportionate burden of unpaid domestic and childcare responsibilities placed on women restricts their access to full-time employment. Consequently, a portion of the available labor potential in industry and the service sector remains underutilized.
- Taken together, these interconnected factors slow the pace of economic growth and undermine the stability of the state budget. The unrealized potential income of women excluded from employment does not enter the economy, leading to reduced tax revenues while simultaneously increasing social expenditures. This dynamic evolves into a structural factor that intensifies fiscal pressure.

Conclusion and Recommendations

The conducted analyses indicate that gender-responsive budgeting (GRB) constitutes an important instrument for enhancing the efficiency and effectiveness of public financial management in Uzbekistan. The objectives outlined in the 2030 Gender Equality Strategy—namely, increasing women's representation in governance, reducing the gender pay gap, and addressing occupational segregation—are directly linked to fiscal policy. [9]

However, the practical realization of these objectives depends on the extent to which they are integrated into the budgetary process. If public expenditures are not systematically aligned with gender-related outcomes, strategic targets may remain merely declarative in nature. Therefore, institutionalizing GRB as an integral component of public financial management is a necessary condition for strengthening fiscal sustainability, ensuring the full utilization of human capital, and expanding the potential for sustainable economic growth.

To ensure the more effective implementation of GRB, it is advisable to pursue the following priority directions:

- ✓ It is essential to integrate gender outcomes into the performance-based budgeting system. As demonstrated by the experience of Austria, each ministry and agency should establish clear gender indicators within their budget programs and provide regular reporting on their implementation. This approach enables the evaluation of public expenditures not only in terms of financial execution but also on the basis of socio-economic outcomes.

✓ The indicators of the 2030-Gender Equality Strategy should be linked to a unified national monitoring system. Drawing on the model of the Gender Results Framework applied in Canada, government programs, medium-term fiscal forecasts, and budget execution reports should be systematically integrated with gender-related outcomes. Expanding sex-disaggregated statistical data and introducing both ex-ante and ex-post gender-fiscal analysis would enhance policy effectiveness.

✓ To reduce occupational segregation, fiscal mechanisms should be developed to promote balanced employment of women and men across all sectors. Consideration should be given to introducing preferential mechanisms within public procurement, subsidies, and grant programs for entities that demonstrate gender-balanced workforce composition.

✓ For the effective implementation of GRB, it is necessary to strengthen institutional capacity in gender-fiscal analysis at the level of the Ministry of Economy and Finance and sectoral ministries, including the introduction of specialized methodologies and professional training programs.

Overall, international experience demonstrates that gender-responsive budgeting yields tangible economic results only when it is institutionalized not as a stand-alone initiative, but as an integral component of the entire public financial management system. In the context of Uzbekistan, this approach represents the most appropriate pathway for transforming the strategic objectives set for 2030 into a practical fiscal mechanism.

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