Impact of Reducing Government Spending on Gender Inequality and Poverty: Comparative Analysis in Senegal and Burkina Faso

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Abstract:

The optimization of public finances, in order to have more income to finance public policies in developing countries, leads governments to reduce the resources allocated to the functioning of public administrations. These budget cuts sometimes result in job cuts in the public service. If some studies such as Baba et al. (2013) in Uganda have shown that reallocation of public spending from non-productive sectors to productive sectors can promote poverty reduction, which could also lead to increased gender inequality and poverty. Indeed, public employment generally divided equally between the sexes and gives rise to undifferentiated remuneration. In addition, public spending makes, through transfers or even public services, to improve the situation of households. Their reduction could therefore be harmful. The aim of this study is to evaluate and compare the effects of a reduction in public spending on gender inequalities and poverty in Senegal and Burkina Faso. To do this, we will build a static computable general equilibrium model with micro simulation.

Keywords: Gender Inequality, General Equilibrium, Public Expenditures

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