PSI Women's Committee
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Taxation, human rights and gender equality

ICESCR art 2 calls for states to mobilize maximum available resources for the progressive realisation of human rights. Brilliant work by the (former) UN Special Rapporteur on extreme poverty and human rights Magdalena Sepulveda Carmona has collected evidence of how tax policy in many countries hinders the realisation of human rights. It's a short and accessible report that I recommend you read and use in your work. In addition states have the duty to proactive seek resources in a non-discriminatory manner to advance substantive equality

When we address tax from a HR perspective we think about the four crucial functions of tax, the so-called 4 Rs: resourcing, redistribution, representation and re-pricing. Each is potentially a powerful channel for tackling inequality: the first in terms of providing further resources for accessible and high-quality public services, the second in redistributing income and wealth more fairly, and the third by increasing the voice and power of disadvantaged people in fiscal and political affairs, while also strengthening the accountability of those in power. Fourthly, shaping positive and negative incentives through re-pricing goods and services and correcting market distortions can be a powerful tool to instill more substantive equality.

By and large, tax justice campaigners have focused on the impact of tax on income inequality, but there is a growing movement of researchers, advocates and activists mobilizing to highlight the ways in which tax policy can obstruct women's equality and human rights. Indeed, tax can be a very significant constraint on progress towards gender equality (as recognized even by the Beijing Declaration and Platform for Action 20 years ago).

In most countries women are overrepresented among the poor, and there is a solid body of research showing that the weakening of the fiscal state over the last 30 years has in turn unfairly disadvantaged lower income groups. Women are affected by tax in specific ways because of

- employment patterns, including wages
- share of care and unpaid labour
- consumption patterns
- property and asset ownership

As women tend to earn less might not pay taxes on income and property but are also excluded by benefits afforded through the tax system. For example women might not work enough during their lifetime to be able to access contributory based pension systems which has repercussions on deprivation through life cycle.

Regimes with joint taxation for spouses or partners tend to disadvantage the lowest earners (in the case of heterosexual couples, usually the woman) and disincentivize women's work, while reinforcing stereotypes about a woman's income being secondary to that of the male breadwinner, and to her unpaid care work. Within the context of the widespread gap between women's and

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men's wages and their employment rates, income tax provisions can further discourage women from taking up paid work when tax allowances for dependants favour a stereotypical male breadwinner model. In Morocco, for example, the tax allowance for dependents is automatically assigned to men and working women have to legally prove they are head of the household before being able to file for the allowance. In addition, as these benefits rarely keep up with the cost of care services such as crèches, their effectiveness is limited and it is thus 'cheaper' to outsource the care responsibilities to women and make them stay at home. Another issue which needs more research is around benefits afforded to married couples vs how single headed households are treated for tax purposes. This is a marital status penalty which in some countries, such as the UK is emerging as a huge issue as single mom are the groups who's suffering the most under austerity policies as tax credits are slashed at the same time as services.

The amount of tax revenue that is raised also affects women in gender-specific ways. Women tend to rely more on public services, which are depleted and underfunded after years of fiscal austerity. Regressive taxation regimes with high rates of VAT or sales tax impact women's incomes particularly harshly, as they tend to be the ones buying food, clothes and other basic goods for the household. Meanwhile, wages are often taxed at a higher rate than wealth and the incomes of trans-national corporations and high-net worth individuals are allowed to escape overseas to tax havens. Men are overwhelmingly more likely to accumulate wealth, own property, and be corporate CEOs and shareholders - and as such women are again prejudiced by a broken and biased system.

There is still a lot we don't know due to lack of data gender disaggregated data of taxpayers and also income and expenditure data at individual level, beyond the household. This is critical to advance specific demands at national level.

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) - to take just one legally binding (and almost universally-ratified) international human rights treaty - can be a very revealing lens through which to analyze economic policies and their impact on women. This exercise prompts us to ask if, for example, a given tax policy or system is contributing towards the "full development and advancement of women"; upholding women's right to "free choice of profession and employment"", or contributing towards the "elimination of prejudices" based on "stereotyped roles for men and women". To conclude there are 3 ways in which I'd say the tax justice movement need and can benefit from a feminist perspective

1. To assess so called explicit biases in tax system which explicitly discriminate against women, as more and more women enter into paid employment. For example our partners in the Philippines are engaging with the revenue authority to change the way in which income tax is filed which is geared towards a male breadwinner.
2. For feminist to critically assess tax as a tool towards the realisation of women human rights, so to see tax as a critical component of a broader picture of budget and expenditure policies, privatization, labour rights etc and to raise awareness in their constituencies of what is at stake for them with tax.
3. To increase the voice of women's rights advocates and activists within the tax justice community and increase understanding and cooperation between the movements.

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Financing for Development process, tax and gender equality

FFD financial MOI for post 2015 culminating in Addis a lot at stake, including the whole architecture of the SDGs, if the deal in Addis is not good enough for the G77 it could jeopardise the adoption of the SDGs. FFD is in its third iteration after Monterrey in 2002 and Doha in 2008. It's a process in its own rights which looks at structural issues of domestic resource mobilisation, private flows, international trade, aid, external debt, and systemic issues of monetary, financial and trading systems. It is certainly a process through which so called financial means of implementation for the SDGs will have to be determined but it should be going beyond that by addressing the structures of financing mechanisms, rather than only mobilizing resources.

Key messages on tax and gender

- Tax policy is not gender neutral and this should be recognised and responded to by policy makers
- Review of existing tax policies to identify implicit and explicity gender biases and to assess that they do not reinforce gender inequality and stereotypes including through their impact on unpaid care, unpaid labour and paid work
- Increase budgetary transparency in relations to tax incentives
- Upgrade the UN TC to a new intergovernmental body on tax under UN auspices, resourced adequately, including with gender expertise, and mandated to review tax policy for compliance with human rights

This is the goal of the wider tax justice community as well (albeit for many there is no reference to gender expertise). The most positive, sustainable outcome that we can hope to secure is a universal, intergovernmental tax body under the UN auspices with a broad mandate and adequate resources.

Due to the strong support from G77, the UN tax body is secured at least till the final summit at Addis Ababa. The other three policy recommendations are most in danger of being deleted from the negotiating text at the current drafting sessions.

Universal UN tax body needs to be established with clear timeline and adequate resources: Language in the FfD3 outcome document should be clear that the established UN intergovernmental tax body is **universal,** has **adequate resources**, and is set up in time for the body to **convene its first meeting in 2016**.

What do we have

Split N/S on structural issues UN TC

Had statements on gender equality and tax from a group of countries led by Iceland which resulted in language in the zero draft in March para 18 - *We also agree to incorporate sustainable development, and promote equity, including gender equality, as an objective in all tax and revenue policies, including incentives we give to domestic and foreign investors, and tax treaties and* *agreements.* Unfortunately this language has been diluted in the subsequent draft and we are working to get it back in

BUT

No mention of dedicated resources for gender equality which was in Monterrey and Doha = retrogression

V instrumental view of women as agents of economic growth (zero draft said Evidence shows that gender equality and women's full participation as economic agents improves the profitability and competitiveness of business) event as source of tax! (para 20 of Zero draft)

Also worrying that broadening the tax base is expressed in terms of formalising the informal sector which can be extremely regressive our research in Ghana shows that 95% of women traders in Accra pay tax, up to 37% of their income

What we are doing – working through the WWG on FfD, reaching out to sympathetic members states i.e. Iceland, ensure women's rights messages are integrated in the wider CSO response

Coming up

25-26 May additional sessions

1-5 June additional sessions

15-19 June 3rd drafting

13-16 July Addis conference

GATJ worldwide alliance of looking at week of action for tax justice including world public services day june 23rd (16 to 23 june) photo petition on website to be delivered at Addis – time is now to get involved

More opportunities on tax and gender in the SDGs

In SDGs

- Goal 5 - Achieve gender equality and empower all women and girls
- Goal 10 - Reduce inequality within and among countries
- Goal 17 (MOI goal) - Strengthen the means of implementation and revitalize the global partnership for sustainable development

In goal 10 current proposed indicators

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10.3 ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard

10.4 adopt policies especially fiscal, wage, and social protection policies and progressively achieve greater equality

10.5 improve regulation and monitoring of global financial markets and institutions and strengthen implementation of such regulations

10.6 ensure enhanced representation and voice of developing countries in decision making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions

Goal 17 current proposed indicators

17.1 on finance strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection