

Fiscal Policy and Gender Messages for the Financing for Development Process

Recognition:

*Taxation policy is not gender neutral and this must be recognised and responded to by policy-makers. Tax laws may contain explicit discriminatory biases against women and have unequal gender impact when implemented in contexts characterised by gender inequality.

* The FFD communique should include a paragraph specifically on tax and gender, including naming 'gender-responsive fiscal policy', and highlighting key areas for consideration inter alia the impact of tax and DRM policies on paid and unpaid work, income security, and the progressivity of the tax mix.

*Existing tax and DRM policies and government budgetary allocations reinforce and perpetuate women's economic, social and political disadvantage by, inter alia:

- Subsidizing women's unpaid work;
- Undercutting women's access to decent paid work and income security;
- Limiting women's access to productive assets, wealth and other economic opportunities.

Progress towards gender equality and women's rights:

* Domestic public finance in areas such as social protection, productive diversification and employment, education, care, sexual and reproductive health are essential to reverse multiple discrimination and structural gender inequalities. When the state does not mobilize sufficient resources or provides inaccessible and low quality services, gender inequalities are perpetuated and exacerbated.

* Domestic revenue mobilization policies, including all tax policies, should be subject to reviews to identify explicit and implicit gender impact to ensure they do not reinforce existing gender inequalities, including through their impact on unpaid care, paid work and unpaid labour.

* Existing tax and fiscal instruments need to be reviewed to assess their true progressivity and actual contribution to the realization of gender equality and human rights.

* To promote investment in data which will enable accurate gender impact assessment of tax instruments, in primis actual disaggregated data on income, expenditure and consumption for all individuals as well as for households, families, and all business forms.

- * At national level commit to improve increase to 100% the share of tax and budget policies and laws subject to periodic, participatory gender equality analysis and monitoring of public expenditure, especially as they impact on women living in poverty
- * Promote the use of gender-responsive budgeting to ensure coherence of the national planning, costing and budgeting process with gender equality and women's rights objectives, monitor public expenditures, analyse impact of fiscal and monetary policies, and to strengthen accountability for realisation of gender equality and women's rights obligations.
- * Tax systems should target those most able to pay: we are concerned that the formalization of the informal sector is mentioned as a means to broaden the tax base. Globally women are over represented in the informal sector and can and should pay tax, but the system of taxation should be progressive and not regressive, and those who come into the tax system should also enjoy the benefits of formalisation too. Many pay tax already either through VAT or license fees. Many also pay 'informal taxes' and would much prefer their activities to be regulated such that they pay legitimate taxes (with the provisos above) instead of illegitimate ones. For example, for the self-employed formalization should not mean just obtaining a licence, registering their accounts, and paying taxes – these represent, to them, the costs of entry into the formal economy. In return for paying these costs, they should receive the benefits of operating formally, including: enforceable commercial contracts; legal rights to a secure place of work and means of production; access to markets; preferential prices for social enterprises and worker-controlled cooperatives; membership in trade associations or other associations of their choice; protection against creditors; and social protection.

Transparency:

- * To strengthen measures for budgetary transparency with special attention to tax expenditures that can allow public scrutiny of the costs and benefits of tax and DRM policies based on gender equality, human rights and environmental protection principles.

Global cooperation in tax matters:

- * To support the strengthening of international tax cooperation through upgrading the UN Tax Committee, providing it with gender expertise and mandating it to review national, regional and global tax policy according to gender equality and human rights obligations.
- * 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.