



STATEMENT BY THE GLOBAL ALLIANCE FOR TAX JUSTICE (GATJ)

We need tax justice for gender equality NOW

Issued at the end of the three-day virtual global conference on Tax Justice and Gender Equality, held from 6 to 8 December 2021, under the theme “**Feminist Perspectives and Imagining a New Taxation System**”.

From 6 to 8 December 2021, the Global Alliance for Tax Justice (GATJ) held the [Tax Justice and Gender Equality Conference 2021](#) with members and partners. The three-day virtual conference included sessions to share, discuss and develop alternative perspectives in relation to establishing a sustainable feminist taxation system and promoting an economic system for the realisation of substantive gender equality and women’s rights. The conference highlighted multiple intersecting structural inequalities that predated the COVID-19 crisis and had been heightened and/or deepened, with a disproportionate effect on women, as well as on countries in the global South. There was strong agreement that there needs to be an end to the vastly unequal gendered distribution of care work (both paid and unpaid) and the unsafe, unprotected, precarious nature of this work. Participants recognised that countries have a unique opportunity and an urgent obligation to build a more robust social care and rights-based tax system in the aftermath of the COVID-19 crisis that is gender transformative. It was noted that lower- and middle-income countries face a worsening **debt crisis and climate crisis**, both of which need urgent action now.

Some of the **key policy positions that were discussed and put forward** during the conference include:

1. Feminist-centred recovery from the COVID-19 socio-economic crisis and reform of the international financial and tax architecture

A key focus, particularly in response to the socio-economic crises exacerbated by the COVID-19 pandemic, is the renewed demand from the GATJ’s Tax and Gender Working Group to create a feminist global tax and financial system to address economic, gender and racial inequalities. A just transformative recovery will require progressive tax and fiscal systems for the realisation of substantive gender equality and women’s rights by expanding coverage of social security schemes, reprioritising spending needs through a gender-responsive lens and directing it towards gender-transformative public services and social protection rather than big businesses. Issues of debt, tax, illicit financial flows (IFFs) and climate finance have been dealt with in a staggered manner and are intrinsically interconnected. The COVID-19 pandemic has revealed how the current international financial architecture continues to suffer from systemic weaknesses that create opportunities for big businesses and wealthy individuals to exploit loopholes in the tax system to facilitate IFFs and tax abuse. This exploitation is based on historical trajectories of colonialism, imperialism and patriarchy. The non-inclusion of the financial services sector under [Pillar I of the global tax agreement](#), which has been welcomed by many, is indicative of how the international process is weighted in favour of the dominant and powerful. **We are highlighting the need to re-examine the fundamentally flawed global tax architecture in order to create a more democratic and decolonised space where the global standard setting for tax takes place. This**

includes the establishment of an inclusive intergovernmental UN global tax body, where all countries have a seat at the table and an equal say in determining international tax rules.

2. Curbing illicit financial flows and tax dodging by multinational corporations (MNCs) and wealthy elites

Every year, countries around the world lose billions of dollars of tax revenue, which could have been spent on quality public services and on realising human rights, through IFFs and tax dodging by MNCs and wealthy elites. [A recent report by the International Monetary Fund \(IMF\) finds that African countries are losing between US\\$470 million and US\\$730 million per year through corporate tax avoidance in the mining sector alone.](#) These are lost funds that could be channelled towards improving the lives and fulfilling the rights of women and girls in sub-Saharan Africa. Governments are also often under pressure from the IMF and World Bank to agree to increase consumption tax rates and **reliance on the revenue collection from consumption taxes**, which have been found to be largely regressive and more harmful to low-income earners, especially to women living in poverty.¹ Countries in the global south are also often pressured to sign unfavourable **Double Taxation Agreements (DTAs)** under the guise that they attract investment. However, in many cases these agreements actually lead to immediate revenue losses, as they reduce the rates for taxing foreign transactions of MNCs, as well as incurring long-term losses in terms of signing away taxing rights in areas such as capital gains taxes at the point of transfer of ownership.

Aggressive tax planning practices, facilitated by professional lawyers, bankers and accountants, unjustly deny governments of the resources they need to support women's rights. **Governments need to tackle tax avoidance and tax evasion through transparency measures such as: public country-by-country reporting** of large multinational enterprises to determine if taxes are being paid where economic activity is taking place; **automatic exchange of information** to give oversight authorities, especially in the global south, immediate access to foreign account and asset information; **access to existing mechanisms that document international financial transactions** like the SWIFT messaging system to global south countries for further accountability; ² **creation of public registers of beneficial ownership** (the real person who ultimately owns, controls or benefits from a company or trust fund and the income it generates) so authorities, parliamentarians, journalists and the general public have access to ownership information for holding companies and wealthy individuals accountable in society; **eliminating the practice of abusive transfer pricing**; and **cracking down on tax havens.**

3. Adoption of gender equal progressive tax systems

Regressive tax systems continue to perpetuate socio-economic and racial-gender inequality and human rights violations. Unfortunately, it is the people who are most marginalised and living in poverty who bear the brunt of these policies. The overall burden of regressive fiscal policies stemming from reduced domestic resources for countries in the global south disproportionately falls on women. Not only do women account for a larger proportion of people living in poverty, but they also make up a large percentage of low-income earners. A recent [World Inequality Report 2022](#) stated that women's incomes in 2015-2022 represented only 15 per cent of total incomes in the Arab Region, 21 per cent in Asia outside of China, and 28 per cent in sub-Saharan Africa, compared to the global average of 35 per cent. The reliance on regressive consumption taxes disproportionately hurts women, as their proportional share of value-added taxes (VAT) is much

¹ Oxfam, "It's not all about the Money, Domestic Revenue Mobilization, Reducing Inequality and Building Trust with Citizens". Available at <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620754/bp-its-not-all-about-money-drm-080519-en.pdf>

² Financial Transparency Coalition (FTC), "Automatic Exchange of Information". Available at <https://financialtransparency.org/issues/automatic-tax-information-exchange/>

higher as a percentage of their total incomes. In terms of [wealth inequality](#), the bottom 50 per cent of the world population (of which women are a majority) owns only 7 per cent of the world's wealth. The tax burden also falls on the large population of informal workers (mostly women in many contexts) who do not benefit from the protection of social security schemes. Meanwhile, they are harmed by flat rate taxes or fees and regressive VAT and do not benefit from tax incentives or subsidies or low corporate tax rates that accrue to “formal” businesses.

The current tax system is biased against women because it tends to increase the incidence of taxation on the poorest women while failing to generate enough revenues to fund the programmes and services needed to improve these women's lives and realise their rights – to healthcare, education, decent work, an adequate standard of living and more. **One of the fundamental concerns of public finance and tax justice is how to distribute the burden of taxation so that it does not intensify gender and intersectional inequalities.** One of the pathways for a feminist tax system is progressive taxation and countries carrying out gender impact assessments of tax policies, economic partnership agreements, investment treaties and other such instruments that may have elements of taxation. How taxes are raised plays a key role in the distribution of resources and how citizens are represented in tax policy-making. Progressive taxation means higher tax rates for people who earn or have more wealth, greater incomes, assets and other resources and is a clear example of progressivity and is redistributive from the wealthy to those living in poverty. **We are therefore calling urgently for governments to implement structural reforms that uphold redistributive justice, including equal and progressive reforms in tax systems.**

4. Centrality of care and tax justice

The COVID-19 pandemic has brought the issue of **care work and services** to the fore and has highlighted how woefully unprepared our societies are to respond to such crises. In all countries, the brunt of care responsibility falls upon women, and this imbalance is only exacerbated during periods of crisis. **The pandemic has exposed the need for shifting discourse from the care economy, which has been used as a driver of care commodification, to the social organisation of care.**³ Care responsibilities are distributed unequally among households, States, markets, communities, and between women and men. This discrimination is at the basis of other constraints on women's full and effective participation and decision-making role in public life. The privatisation of care services implicates a dynamic of time squeezing at the cost of the quality of care services. Privatisation and financialisation, at the same time, combined with low wages in the paid care sector, implicate a global extraction of female labour and lead to so-called “global care chains” that privilege households in the global North, while increasing the care gap in the global South.

There is a need to rebuild the social organisation of care that calls for the 5Rs framework: i) [recognising](#) the economic value of care work and care as a human right; ii) [rewarding](#) decent work and offering social protection; iii) **reducing** the burden of unpaid care work that often falls to women; iv) **redistributing** care work between households and State; and v) [reclaiming](#) the public nature of care services and the main responsibility of States in terms of financing and providing universal and public care services. [Alternative economic models such as a just feminist economy](#) or a [rights-based economy](#) would reduce the time burden of care work, provide secure incomes – including universal basic income – tax justice with sufficient public resources to guarantee maximum levels of health and care provision, and promote women's safety and ability to engage in political activity.

³ Public Services International (PSI), “Rebuilding Social Organization of Care”. Available at <https://publicservices.international/resources/events/rebuilding-the-social-organization-of-care?id=11646&lang=en>

5. Gender dimension of tax justice in the extractive sector

Tax justice in the extractive industries is particularly important given that these sectors are highly complex, they often have very negative impacts on the communities in which they operate, they frequently receive generous fiscal incentives, and they involve overlapping public, shareholder and personal interests. These factors undermine domestic resource mobilisation efforts that are critical to meeting the public social services needs of women and girls, in particular those who are located in resource-rich nations in the global south. Governments must ensure that taxes are fairly raised and spent and that revenues, including from the [extractive industries](#), work for girls and women's rights (for example, by investing and redistributing revenues in public programmes and public services that address unpaid care, women's health, and violence against women and girls). **Governments must stop illicit financial flows, tax abuses and aggressive tax planning, including in the extractive industries sector. We are calling for the implementation of gender-responsive budgeting** so that States can mobilise maximum resources, including from extractive industries, for sustainable development and to advance gender equality.

6. The challenge of privatisation, fiscal consolidation (austerity) and the debt crisis

Despite sustained and substantive inputs from civil society organisations (CSOs), academics, researchers and social movements on the impact of conventional neoliberal macroeconomic policies, regressive taxation, privatisation and fiscal consolidation (austerity) in response to economic crises, the IMF, World Bank, the G20 and Organisation for Economic Co-operation and Development (OECD) continue to promote these policies as a recipe for growth and a necessary measure for improving the investment climate. For instance, 84 per cent of all IMF rapid and emergency financing agreements with recipient countries continue to promote such policies and the World Bank's Doing Business (DB) report – now suspended – wrongly underscored low taxes as a necessary measure for improving the investment climate. This has meant that billions of people continue to be negatively impacted by reduced pensions and social security benefits; wage bill cuts and caps; cuts in social protection programmes; and less employment security. All of these specifically impact women and undermine gender equality. Indeed, large-scale cuts in public employment in the health sector of many countries severely undermined women's ability to mount an effective [COVID-19 response](#). Countries in the global south were only able to spend approximately 3.6 per cent of Gross Domestic Product (GDP) in response to the pandemic. Of this, 63 per cent went to large corporations due to strings attached to loans provided by International Financial Institutions (IFIs) and domestic preferences that favour large formal sector enterprises.

While countries in the global north responded to the economic crisis triggered by the COVID-19 pandemic with large public spending initiatives, lower- and middle-income countries face a worsening **debt crisis**. [Over 50 per cent of lower-income countries are in debt distress or are at high risk of falling into debt distress](#), further shrinking the fiscal space available for vital pandemic response measures. As a result, developing countries may be forced into **austerity measures** in response to their debt distress, further exacerbating the threats to women's rights as well as worsening inequality and poverty. Indeed, public spending cuts were expected in [154 countries in 2021 and up to 159 countries in 2022, affecting 85 per cent of the world's population](#). Increased recovery spending will be possible only if measures including debt relief, a new Special Drawing Rights (SDR) allocation and channelling, wealth taxes, progressive taxation of large enterprises and MNCs with windfall profits are immediately implemented. This impending global wave of austerity measures will severely limit governments' ability to mount a just and equitable pandemic recovery, in addition to responding to intersecting crises such as the climate emergency. There is a real concern that the shrinking of fiscal space through the combination of the economic crisis and debt will mean a renewed push for the privatisation and financialisation of social and public services, further limiting their accessibility and affordability for women and the most vulnerable.

IFIs need to recognise the need to move away from standard neoliberal policies and austerity to meet the compounding crises of this century, by encouraging rather than undermining public finance in social investments that reduce inequalities and promote human rights, climate and gender justice. We urge these institutions to develop a comprehensive sovereign debt workout mechanism that goes widely beyond the scope of current initiatives.

7. Addressing the climate crisis for a just and green recovery for women and girls

Climate change gives rise to far reaching socio-economic impacts that need a collective response. The conference reiterated the importance of embedding the human rights framework within the ecological system and the benefit of aligning with the climate change movement and the green new deal movement. This issue is likely to grow in importance given the systemic parallels between the societal and economic implications of COVID-19 and predicted impacts of climate change, which include the increased prevalence of vector-borne diseases and impacts to global supply chains from extreme weather events. It is now more urgent than ever to reinvest in climate-resilient infrastructure and the transition to a lower-carbon future to drive significant job creation while increasing economic and environmental resilience, including through progressive environmental taxes.

8. Movement building

There is a recognition that the tax justice movement needs to join forces with other social justice struggles including trade unions, the climate justice movement, human rights and women's rights movements, among others, to shape the future by coordinating a powerful, worldwide movement to hold policy-makers to account for tax justice. We need to build a strong movement to push more transformative tax systems that are gender-transformative, to build collective counter-power and to challenge the status quo and to improve the lives of millions of women and girls around the globe.

Recommendations from the conference:

Governments and multilateral institutions must:

1. **Stop illicit financial flows and [aggressive tax-planning practices](#)** that: facilitate tax abuses (including tax avoidance); that are biased towards wealthy countries and multinational corporations; and that unjustly deny governments of the resources they need to support women's rights and implement gender-responsive budgeting so that States can mobilise maximum resources, including from the extractive industries, for sustainable development and to advance gender equality.
2. Tackle tax avoidance and evasion through transparency measures such as **public country-by-country reporting, automatic exchange of information**, creation of **public registers of beneficial ownership** and eliminating the practice of transfer pricing, and cracking down on tax havens.
3. **Reduce unfair tax burdens on women and adopt progressive and gender equal taxation** – including new forms of taxation of capital and wealth – combined with less reliance on consumption taxes that harm those living in poverty, a majority of whom are women.
4. Remove gender discrimination in tax policies, including through practising gender budgeting to ensure that tax revenues are raised and spent in ways that promote gender equality and increase the allocation of tax revenues for gender-transformative quality public services.
5. Ensure tax and fiscal policies underpin the 5Rs of rebuilding the social organisation of care, to recognise, reward, reduce, redistribute and reclaim care as a public good and a human right.

6. The IMF, World Bank and other IFIs support governments to prioritise building a just, care-centred, equitable and environmentally sustainable recovery in the long term, through moving away from the neoliberal paradigm, privatisation and austerity, and instead promoting measures that will help expand countries' fiscal space, such as progressive taxation and seriously tackling IFFs.
7. Research on gender impacts of tax policies at the national level and training local gender tax justice groups on how to use this information to lobby their government.
8. Raise awareness among the general public about the importance of tax justice in terms of fulfilling women's rights and achieving racial and gender equality and mobilise tax justice activists to influence policy-makers at all levels to adopt reforms in tax policies to promote racial and gender equality.
9. Build a movement to push more transformative tax systems that are gender-responsive and aligned to human rights. Build stronger coalitions and connections to public services, labour, human rights, the debt movement and climate justice movement, and youth movements: linking the work of the tax and gender movement to public services, coordinating on engagement with the human rights committees and continued lobbying efforts at the UN and at the national level.

Signatories

ActionAid International
African Women's Development and Communications Network (FEMNET)
Akina Mama wa Afrika (AMWA)
Association for Women's Rights in Development (AWID)
Bretton Woods Project
Canadians for Tax Fairness
Center for Economic and Social Rights (CESR)
Centre Régional Africain pour le Développement Endogène et Communautaire (CRADEC)
Christian Aid
Consumer Unity and Trust Society International – Lusaka
Development Alternatives with Women for a New Era (DAWN)
FACT Coalition
Financial Transparency Coalition (FTC)
Global Alliance for Tax Justice (GATJ)
International Women's Rights Action Watch Asia Pacific (IWRAP-AP)
Nawi – Afrifem Macroeconomics Collective (NAWI Collective)
OXFAM GB
Public Services International (PSI)
Queen's University Canada, Faculty of Law
Red de Justicia Fiscal de América Latina y el Caribe (RJFALC)
South Asia Alliance for Poverty Eradication (SAAPE)
South Asia Tax and Fiscal Justice Alliance (SATAFJA)
Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI)
Tax and Fiscal Justice Asia (TAFJA)
Tax Justice Network (TJN)
Tax Justice Network Africa (TJNA)
Tax Justice-Europe (TJ-E)
Womankind Worldwide
WIDE Austria
Women's Working Group on FFD (WWG on FFD)
World Basic Income