

# FRAMING FEMINIST TAXATION **VOLUME 2**

Issues and tools for analysis and capacity building - a case study of Uganda



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## List of Abbreviations

<b>AMwA</b>	Akina Mama wa Africa	<b>IDRC</b>	International Development Research Centre
<b>CEDAW</b>	Convention on the Elimination of All forms of Discrimination Against Women	<b>IFFs</b>	Illicit Financial Flows
<b>CESR</b>	Centre for Economic and Social Rights	<b>IMF</b>	International Monetary Fund
<b>CIT</b>	Corporate Income Tax	<b>MNC</b>	Multinational Corporations
<b>CRF</b>	Common Research Framework	<b>NGO</b>	Non-Governmental Organisation
<b>CSOs</b>	Civil Society Organisations	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>DTA</b>	Double tax agreement	<b>OOP</b>	Out of pocket
<b>FOWODE</b>	Forum for Women in Democracy	<b>PIT</b>	Personal Income Tax
<b>FTM</b>	Fair Tax Monitor	<b>SEATINI</b>	Southern and Eastern Africa Trade Information and Negotiations Institute
<b>GATJ</b>	Global Alliance for Tax Justice	<b>TJNA</b>	Tax Justice Network Africa
<b>GB</b>	Gender budgeting	<b>UCW</b>	Unpaid care work
<b>GDP</b>	Gross domestic product	<b>UGX</b>	Uganda Shillings
<b>GRB</b>	Gender-responsive budgeting	<b>URA</b>	Uganda Revenue Authority
<b>GRD</b>	Government Revenue Dataset	<b>VAT</b>	Value Added Tax
<b>GST</b>	Goods and Services Tax	<b>WTO</b>	World Trade Organisation
<b>IBP</b>	International Budget Partnership	<b>YPV</b>	Youth Policy Village
<b>ICTD</b>	International Centre for Tax and Development		

## Introduction

<sup>1</sup> GADN (2022) Lessons for a feminist Covid-19 economic recovery: multi-country perspectives, <https://gadnetwork.org/gadn-resources/covid-economic-recovery>

*We will not achieve gender equality if we do not take action for tax justice and address the systemic and structural barriers in the tax and economic systems to realize women's rights and a feminist economy.*

**Caroline Othim,**  
**Global Alliance for Tax Justice (GATJ)**

As countries are building back their economies, it is important to prioritise resilient policies that will deliver for people – especially those marginalised and living in poverty – and the planet in a way that recognises the disproportionate effects that COVID-19 has had on women's social, economic, and environmental resilience. The policy responses to the impacts of COVID-19, and the recovery measures taken, are mostly debt-financed, corporate-driven, prioritising profits over people and planet and unresponsive to gender equality. For instance, the Ugandan government's rescue packages supported large companies rather than women-led small businesses.<sup>1</sup> A broken international tax system continues to enable the use of opaque legal structures and entities to facilitate Illicit Financial Flows (IFFs) and tax abuse by wealthy elites and multinational corporations (MNCs), enabling extraction and distribution of wealth and property into the hands of the few. This deprives governments of much-needed resources to fund public services such as health, education, social protection, and infrastructure to address the impacts of the COVID-19 triggered

crisis, impacting women the most. It is therefore more urgent than ever for governments to implement structural reforms that uphold redistributive justice, including equal and progressive reforms in national and global tax systems. The wealthy elites and large corporate conglomerates must pay their share of taxes in jurisdictions where their profits are created.

Feminist perspectives on fiscal policy are now more important than ever – particularly during the COVID-19 pandemic recovery – to ensure that all tax laws, policies, and practices, individually and at the country level, promote gender equality consistent with human rights guarantees. For a COVID-19 recovery that is equitable and just, what is needed is transformative change that rejects the 'old normal' in favour of an economy centred on well-being and care. Current gender-blind tax laws stand on top of long histories of women's disadvantages and exploitation in monetised economies and gendered social norms and structures meaning women are harmed more from tax policies responding to the pandemic. While countries lose millions of dollars through IFFs, the overall burden of gender discriminatory tax systems and inadequate public spending leaves women around the world bearing the brunt as they continue to account for a majority of those living in poverty and low-income earners. Inadequate public tax revenues leave governments under pressure from international financial institutions such as the International Monetary Fund and World Bank to rely on consumption tax rates even though they have repeatedly been shown to be predominantly regressive and hurt low-income earners more, the majority of whom are women.

<sup>2</sup> Ssewanyana, S., Bategeka, L., Guloba, M. and Kiiza, J. (2010). 'Gender equality and taxation in Uganda'. In Caren Grown and Imran Valodia (eds). *Taxation and Gender Equity: A comparative analysis of direct and indirect taxes in developing and developed countries*. International Development Research Centre (IDRC), Routledge, Taylor & Francis Group [online]. Available at: <https://idl-bnc-idrc.dspacedirect.org/bitstream/handle/10625/43684/IDL-43684.pdf>

Gendered tax provisions can explicitly or implicitly discriminate against women in tax and spending laws. In Uganda – the country that is used to illustrate how each of the components of tax systems affect women as compared to men – the statutory tax language is gender neutral, but it does not deliver substantive tax rules nor tax system equality to women.<sup>2</sup> Additionally, in Uganda, most income tax is paid by men because they account for a larger proportion of formal sector employment and at higher earnings than women. Men have also been found to account for a higher proportion of high cadre jobs as compared to women. Generally, consumption and many other flat-rated taxes, such as value added tax (VAT) or excise taxes, take a larger share out of women's earnings. In Uganda, consumption taxes are not usually payable by individuals, but by households. Households headed by women paid more consumption or indirect taxes on necessities such as food, children's clothing and footwear, and fuel, while households headed by men spent more on taxes on alcoholic beverages, tobacco and cigarettes, transport, communication, and adult clothing and footwear. Thus, reform of indirect tax systems by zero-rating or exempting necessities such as food and clothing would significantly reduce the tax burden of households headed by women as compared to households headed by men.

It is for this reason that it is necessary to look at both how governments raise revenue and how they allocate the resources towards competing budgetary priorities. Budgets are a powerful tool for achieving development objectives and budgets can promote gender equality through gender budgeting (GB). In Uganda, the Forum for Women in Democracy (FOWODE) has made considerable progress in mainstreaming GB processes.

## About Framing Feminist Taxation Vol. 2.

Framing Feminist Taxation Vol. 2 is written for individuals, civil society organisations and practitioners working in tax justice and gender equality. It provides a checklist of key issues and tools on gender equal tax and budgeting systems. For instance, what should one look for if they want to assess whether the tax system treats women equally in terms of tax policy? As the publication outlines, one way of doing this is by looking at the taxation of goods and services and understanding men's and women's consumption patterns. In doing so, it is possible to work out whether women are disadvantaged by the tax system. However, it is important to focus on the overall budget as opposed to looking at specific budgetary items such as taxation of cooking fuel or sanitary towels, which overall, in the context of annual budgets, do heavily burden women on low incomes but are just part of the overall tax burden that is faced by women.

This publication focuses on taking a feminist approach to the tax system. It presents tools to assess the gender bias in the current tax system and how to advocate for a feminist tax framework – a tax system that upholds human rights and enables substantive gender equality. Volume 2 together with Volume 1 illustrates what a gender-responsive taxation framework looks like, provides analytical tools and discusses the case study of Uganda.

## **Chapter 1: Tax Justice and Gender Equality A Brief Overview**

Chapter 1 demonstrates how a feminist analysis of economic models and tax systems is essential for the realisation of women's human rights. It provides an overview that demonstrates how taxes and tax policy tend to disadvantage women who already face multiple intersecting inequalities. The chapter elaborates how IFFs undermine government revenue and policies and demonstrates the need for a feminist care-focused post-pandemic recovery. It elaborates issues such as care and tax justice, regressive tax systems, women in the informal economy, the gender dimensions of tax justice in the extractives sector, and the climate crisis and its impact on women, concluding with a focus on the positive impact of women workers in the Uganda Revenue Authority. It recommends group exercises to enable you to develop your own analysis and advocacy strategy for tax justice and gender equality.

## **Chapter 2: Different Tax Systems and Taxes**

Chapter 2 briefly describes two tax systems – a progressive and a regressive tax system. Using Uganda as a case study, the chapter elaborates different kinds of taxes with a focus on what are direct and indirect taxes. These taxes are described in detail as well as their implications

on different populations of women and men. It includes an extensive illustration of VAT taxes in Uganda and their gender implications. Two group exercises in this chapter assist you to understand tax policy and the tax system in your country and the role of tax in macroeconomics. The exercises challenge you to understand the different taxes in your country and their implications for gender inequality.

## **Chapter 3: Gender Equality and Human Rights-Based Analytical Frameworks for Tax Justice**

Chapter 3 presents three gender equality and human rights analytical frameworks that you can learn from and use in your country to do a human rights and gender equality analysis of tax and tax policy. The analyses will enable you to understand the issues implicated in the (lack of) collection of disaggregated data and to challenge and advocate for intersectional gender equality and tax justice in your country. The first analytical framework enables you to monitor human rights and their violations using OPERA, a tool developed by the Centre for Economic and Social Rights (CESR). The second framework is Caren Grown's Conceptual Framework for the realisation of gender justice in tax. This framework was used in eight countries to demonstrate tax injustice and the reforms needed in tax policy in recognition of women's work in the informal and formal economies, women's unpaid care work, and gen-



der differences in consumption expenditures, property rights and asset ownership. The third gender analysis framework is the Fair Tax Monitor (FTM). The FTM is a unique evidence-based research and advocacy tool that identifies the main bottlenecks within tax systems and provides strong evidence for advocacy work at the national and international level. Using the example of Uganda with additional gender-specific questions in the FTM, a new (2022) and detailed FTM report from Uganda is presented to demonstrate that a detailed gender analysis of tax is possible using this methodology.

#### **Chapter 4: Gender Equality and Tax Justice in Uganda Case Study**

Uganda has a long and rich history of feminist economists, women's rights and feminist groups, civil society organisations and research centres involved in research and mobilisation for tax justice. These groups have focused on revenue generation as well as equality enabling measures on the expenditure side, with their decades-long organising for gender-responsive budgeting. The chapter demonstrates the multiple ways that women's lives are linked to taxes and public services and briefly profiles the work of the FOWODE, Uganda. It then takes the 2010 case study of Uganda undertaken using Grown's Conceptual Framework and it juxtaposes the gender analysis of taxes then with the situation today.

Finally, Volume 2 reiterates the demands and recommendations of the GATJ Tax and Gender Working Group to governments and multilateral institutions to:

1. Ensure tax and fiscal policies are in line with the 5R framework: recognise, reduce, redistribute, reclaim and remunerate/reward care and domestic work.
2. Reduce unfair tax burdens on women and adopt progressive, redistributive and gender equal taxation – including new forms of taxation of capital and wealth – combined with less reliance on consumption taxes.
3. Remove gender bias and discrimination in tax policies to ensure that tax revenues are raised and spent in ways that promote gender equality.
4. Ensure adequate financing of gender-responsive social services that promote women's rights, and reduce inequalities, including by gender budgeting.
5. Establish an inclusive intergovernmental UN Global Tax body to ensure equal taxing rights of nation states and stop all forms of tax abuse by multinational corporations and the wealthy elites.



# Chapter 1

## Tax Justice and Gender Equality A Brief Overview

*If we are to really achieve self-sustainability as a continent, we must curb illicit financial flows. This is the first of many conversations about flipping the narrative of Africa from being a continent in constant need of aid to one that can sustain its development by effectively managing its finances.*

**Leah Eryenyu, Akina Mama wa Afrika (AMwA)**

Feminist analyses of economic models and tax systems are essential for the realisation of women's human rights. Current frameworks that govern national and international taxation are gender-blind and tend to portray taxation only from a functional revenue-raising potential or see it as an accounting process rather than a redistributive tool. This is because the dominant narrative on taxation is 'taxing for growth' rather than taxing for social and redistributive justice, women's rights, and intersectional gender equality. Tax is a feminist issue<sup>3</sup> because women are greatly disadvantaged in the current neoliberal and patriarchal political, economic, and social spheres. While countries lose billions of dollars through IFFs,<sup>4</sup> the overall burden of regressive taxation and reduced domestic resources for countries in the Global South disproportionately falls on women. Women and their children account for a larger proportion of those living in poverty and women also tend to be low-income earners and asset holders.<sup>5</sup>

Tax systems overall tend to impact negatively on poor and working-class women and women experiencing intersecting discriminations. These include the reality that women earn less in paid work, are more likely to be involved in precarious or informal jobs with less access to social protection. Women have an unequal and disproportionate responsibility towards unpaid care and domestic work, meaning women may need to enter and exit the paid labour force due to their care responsibilities. Women are taxed more heavily through consumption taxes like goods and services tax (GST), VAT, excise duty and other sales taxes that are applied indiscriminately instead of taxing one's ability to pay, resulting in a reduction in their purchasing capacity. A tax system that is dependent on consumption taxes for raising revenue restricts its own ability to fulfil its redistributive objectives.<sup>6</sup>

There are concerns worldwide that tax policy is biased against working-class women and against women who are not working in the formal economy and primarily working in the unpaid care economy. This is because such government policy on taxation tends to increase the incidence of taxation on women living in poverty while failing to generate enough revenue to fund public programmes and services needed to improve their lives.<sup>7</sup>

One of the fundamental concerns of tax justice is to raise revenues in a way that does not place the burden of taxation on low-income groups and marginalised communities, especially women, to not undermine and jeopardise the realisation of their rights. One of the ways to do this is through progressive taxation. Progressive taxation involves higher tax rates for people who earn or have more wealth, greater incomes, assets, and other resources.<sup>8</sup>

<sup>3</sup> FEMNET (2017). What Are the Gender Dimensions of IFFs? Strengthening African women's engagement and contribution. <https://femnet.org/wp-content/uploads/2017/07/FEMNET-Full-Research-paper-on-Gender-Dimensions-of-IFFs-21.7.2017.pdf>

<sup>4</sup> Illicit financial flows (IFFs) are funds that are illegally or legally but abusively earned, transferred or utilised. These funds typically originate from three sources: commercial tax-related activity; criminal activities, including the drugs trade; and bribery and theft by corrupt government officials. Christian Aid (2019). Trapped in Illicit Finance: How abusive tax and trade practices harm human rights. <https://www.christianaid.org.uk/resources/about-us/trapped-illicit-finance-report>; CBGA India (2020). A Toolkit on Illicit Financial Flows: Module 1 politics of defining illicit financial flows. [https://www.cbgaindia.org/wp-content/uploads/2020/02/Module\\_1\\_Politics\\_of\\_Defining\\_Illicit\\_Financial\\_Flows.pdf](https://www.cbgaindia.org/wp-content/uploads/2020/02/Module_1_Politics_of_Defining_Illicit_Financial_Flows.pdf)

<sup>5</sup> UNCTAD (2020). Tackling Illicit Financial Flows for Sustainable Development in Africa [online]. Available at: [https://unctad.org/system/files/official-document/aldcafrica2020\\_en.pdf](https://unctad.org/system/files/official-document/aldcafrica2020_en.pdf)

<sup>6</sup> Tax Justice Network Africa (2011). 'Taxation and gender: Why does it matter?' Africa Tax Spotlight, 2011, First quarter, Volume 2. [https://unctad.org/system/files/official-document/aldcafrica2020\\_en.pdf](https://unctad.org/system/files/official-document/aldcafrica2020_en.pdf)

<sup>7</sup> Barnett, K. and Grown, K. (2004). Gender Impacts of Government Revenue Collection: The case of taxation. <https://gender-financing.unwomen.org/en/resources/g/e/n/gender-impacts-of-government-revenue-collection-the-case-of-taxation>

<sup>8</sup> ActionAid (2018). Progressive Taxation Briefings. <https://actionaid.org/publications/2018/progressive-taxation-briefings>

## 1.1. Key issues in gender equality and taxation

*This section of the guide outlines the key socio-economic and political dimensions of gender inequalities that continue to undermine women's human rights and that a feminist taxation framework seeks to address.*

### 1.1.1. Illicit financial flows and tax dodging

Revenue that could have been spent on public services is lost through harmful tax practices such as IFFs and tax abuse by MNCs and wealthy elites. The current flawed, undemocratic, and broken international tax system continues to suffer from systemic weaknesses that create opportunities for MNCs and wealthy elites to exploit loopholes to facilitate IFFs and tax abuse, enabling extraction and distribution of wealth and property into the hands of the few. Furthermore, Global South countries are often under pressure by organisations such as the International Monetary Fund (IMF) and World Bank not only to disinvest from public programmes, services, and assets but also to rely heavily on consumption taxes to boost national revenues. Consumption taxes are largely regressive and hurt low-income earners more and especially women who live in poverty.

Additionally, various government measures to cut back taxes owed by corporations further embolden wealthy elites and MNCs to push for additional tax relief measures. This corporate impu-

nity means there is no accountability for human rights abuses, environmental destruction, and unfair wages for workers. Governments and multilateral institutions need to implement structural reforms that uphold redistributive justice, including progressive reforms in national and global tax systems. They need to work towards creating economic governance structures that are genuinely inclusive, democratic, transparent, and accountable. This is an important demand of the feminist agenda for justice and equality.<sup>9</sup> Wealthy elites and MNCs must pay their share of taxes in jurisdictions where their profits are created.<sup>10</sup> Read more about IFFs in [Vol. 1 of Framing Feminist Taxation: With examples from Uganda](#) (pp.25–29).

### 1.1.2. Care and tax justice

In all countries, the brunt of care responsibility falls upon women and this imbalance is worsened during periods of crisis like the COVID-19 pandemic, the climate emergency, war and recession. Besides care responsibilities, a significant number of women also bear the financial burden that comes with reproductive responsibilities. For example, in countries like Uganda where the out of pocket (OOP) expenses for health care is significantly high, this inevitably impacts women's income. According to a fact sheet developed by Thinkwell Global in 2021, private expenditures in Uganda were an estimated 41.4% of current health expenditures in 2019, 95% of which were OOP expenses incurred by Ugandans as they sought care. The pandemic has exposed the need for shifting the discourse from the care economy, which has been used as a driver of care commodification, to the rebuilding of the social organisation of care. The 5Rs framework demonstrates how this is possible.

<sup>9</sup> GATJ (2021). Statement by the Global Alliance for Tax Justice. <https://www.globaltaxjustice.org/sites/default/files/EN%20-%20Conference%20statement.pdf>

<sup>10</sup> Ibid.

<sup>11</sup> Womankind Worldwide (2019). <https://www.womankind.org.uk/resource/towards-a-just-feminist-economy/>

<sup>12</sup> CESR (2020). <https://www.cesr.org/rights-based-economy-putting-people-and-planet-first/>

<sup>13</sup> Ibid.

The five Rs are: (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 on women; (iv) Redistributing care work between households and the state; and (v) Reclaiming the public nature of care services and the main responsibility of states in financing and providing universal public care services. Alternative economic models such as a just feminist economy<sup>11</sup> or a rights-based economy<sup>12</sup> would reduce the time burden of care work, provide secure incomes (including universal social protection), provide tax justice with sufficient public resources to guarantee health, education and care provision, and promote women's safety and their ability to engage in political activity and decision-making.<sup>13</sup>

### 1.1.3. Discrimination against women in tax law and policy

Regressive tax systems continue to perpetuate social-economic and intersecting racial-caste-gender inequalities and human rights violations, and it is those who are living in poverty and are marginalised who bear the brunt. To understand tax systems and their links to deepening inequalities we need to ensure that revenue agencies collect disaggregated data on some demographic categories such as gender, age, class, caste, location and income. The overall burden of regressive fiscal policies stemming from reduced domestic resources for countries in the Global South disproportionately falls on working-class people and in particular women in the informal sector and low wage earners. Disaggregated data collection based on gender, age and other social variables as relevant to each country will give us a richer analy-

sis, allowing us to assess these intersecting discriminations and options for policy reform to realise everyone's human rights. The data will provide empirical evidence for what we already know, namely that women and their children not only account for a larger proportion of those living in poverty but also make up a large percentage of low-income earners. The tax systems and laws in which discrimination is present are often those concerning personal income tax (PIT). Discrimination is also present in the way schemes and programmes are designed for women and girls. These laws contain **explicit bias** against women as citizens, economic actors and taxpayers. Others that apply more broadly is where **implicit bias** against women is likely to occur because they depend on prevailing assumptions and attitudes towards women's roles and identities in society, and disregard how incomes are earned and spent. Conversely, such biases favour men by maintaining a fixed notion of the household head and the primary income generator as a man.<sup>14</sup>

### 1.1.4. Taxation of the informal economy

Another outstanding policy issue is the feminisation of work in the informal economy. Considering that this area of work is where millions of women and girls work in Africa, Asia-Pacific and Latin America, it is an important area for tax policy reform. It is worth exploring this issue in some depth in the context of each country. The debate on the taxation of the informal sector is highly contested.

Firstly, there are those who argue that due to its significant size vis a vis the broader economy (particularly in developing coun-

<sup>14</sup> GATJ (2018). Issue Brief: Discrimination against women in tax law and policy. [https://drive.google.com/drive/folders/1X3Z6swB7u4Ycq1zLw-LAcDzs\\_zFqMLrft](https://drive.google.com/drive/folders/1X3Z6swB7u4Ycq1zLw-LAcDzs_zFqMLrft)

tries), the informal economy presents a significant opportunity for revenue generation. Proponents of this thinking argue that an expansive informal sector also means a narrow tax base (of direct taxes, such as income and business taxes) and increased risk of low compliance, since governments are forced to impose tax on a smaller section of taxpayers. A large section of the population remains seemingly untaxed or undertaxed and contributes to creating the perception of over taxation by those in the formal economy. They further argue that formalisation of the informal sector for tax purposes would create or strengthen governance and accountability mechanisms between the state and formalised business and workers since those businesses and workers would be able to demand services in return. Additionally, formalisation will enable informal sector businesses to gather information on production cost and basic accounting systems, which allows them to avoid pricing errors. This approach ignores the high consumption taxes that informal businesses and workers' pay on their very small business margins, as they don't get the tax breaks some formal businesses do, and it ignores fees paid by informal workers to access market places, etc. At the same time, these workers do not benefit from social protection schemes they may be contributing to through indirect taxation.

Secondly, opponents of informal sector taxation argue that there is little merit in governments in developing countries investing their already scarce resources to go after sectors with very little revenue potential and a high cost of collection. The critics of informal sector taxation further argue that beyond the low yield, prioritisation of informal sector taxation is likely to divert attention and scarce resources away from addressing revenue leak-

age that results from the tax evasion and avoidance schemes of larger companies, where the potential revenue is much higher. Additionally, informal sector taxation carries a risk of negatively impacting smaller firms and making the tax system more regressive. Ultimately, the two sides have valid arguments. Each country needs to find a balance and locate the optimal choices. In the case of Uganda, the economy is characterised by a significantly sizeable informal sector. You can use the Feminist Tax Justice Handbook for Women in the Informal Economy<sup>15</sup> as one of your tools to better understand this debate.

### 1.1.5. Gender dimensions of taxation in the extractive sector

Tax justice in the extractives sector is particularly important given that this sector is highly complex. Often, the sector has negative environmental and social impacts on communities. It receives generous fiscal incentives, and involves overlapping public, shareholder and personal interests. These factors undermine domestic resource mobilisation efforts that are critical to meeting the social services needed by women and girls 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 sector, benefit girls' and women's rights by investing and redistributing revenues in public programmes and public services that address unpaid care, women's health (including sexual and reproductive health) and violence against women and girls.<sup>16</sup>

<sup>15</sup> [https://www.akinamamawaa-frika.org/sdm\\_downloads/a-feminist-tax-justice-handbook-for-women-in-the-informal-economy/](https://www.akinamamawaa-frika.org/sdm_downloads/a-feminist-tax-justice-handbook-for-women-in-the-informal-economy/)

<sup>16</sup> Ibid.



<sup>17</sup> Ibid.

<sup>18</sup> ActionAid International (2021). The Public Versus Austerity: Why public sector wage bill constraints must end. <https://actionaid.org/publications/2021/public-versus-austerity-why-public-sector-wage-bill-constraints-must-end>

<sup>19</sup> A Call to End Austerity and Shift to Tax Justice for Women's Rights. <https://www.globaltax-justice.org/en/latest/call-end-austerity-and-shift-tax-justice-women%E2%80%99s-rights>

<sup>20</sup> Jubilee Debt Campaign. <https://jubileedebt.org.uk/>

### 1.1.6. Debt crisis and austerity

For many countries, austerity measures and budget cuts reduce the resources available for public services that should be in place to ensure women's rights and gender equality.<sup>17</sup> As set out in ActionAid's research *The Public Versus Austerity*,<sup>18</sup> over the past 40 years austerity policies have led to cuts in the public sector workforce that have undermined the governments' ability to deliver quality public services. One of the austerity policies that most acutely impacts public services is the imposition of public sector wage bill constraints, harming the delivery of gender-responsive public services. There are two direct consequences of these policies. Firstly, it blocks the recruitment of new teachers, nurses and other essential workers, even where there are severe shortages of such workers. Secondly, strict limits to the already low pay of existing health, education and other public sector workers undermine recruitment and retention of qualified staff. Women act as shock-absorbers during austerity through an increased unpaid care burden and they make up 70% of all health workers globally.<sup>19</sup> Recognising the severe impact of debt on their lives and countries, there is a growing movement of diverse stakeholders in the Global North and South who are mobilising to challenge national debt. Since the inception in 1996 of the Jubilee Debt Campaign (being re-named Debt Justice in May 2022), the movement has been successful in educating and mobilising governments and citizens to reduce or eliminate the debt of many nations. Read more about the Jubilee Debt Campaign on their website.<sup>20</sup>

### 1.1.7. The climate emergency and the impact on women

Millions of women across the world are dealing with the worsening impacts of climate change. In developing countries, the combined impact of climate change and the COVID-19 pandemic has been devastating in terms of damage to infrastructure, loss of livelihoods, increased violence against women and increases in care responsibilities. The consequences of inadequate access to public services, especially for women living in poverty, are magnified in times of climate-induced disasters and health emergencies. Addressing gender inequality in the risk from and exposure and vulnerability to the effects of climate change requires comprehensive solutions that include adequately financing public services, mobilising resources to help build women's resilience, and reducing tax burdens that undermine women's capacities to deal with and recover from natural disasters or health-related emergencies such as the pandemic. Addressing the climate emergency is critical for a just and inclusive green recovery for women and girls. Climate finance can catalyse actions that can either alleviate or exacerbate gender equality and poverty. However, many developing countries are unable to effectively finance climate actions or access financing from financial institutions because of their limited fiscal space largely caused by their indebtedness. Mechanisms that fund climate action should be designed to enable, rather than hinder, marginalised populations, women and those living in poverty, in facing climate change in line with SDG 13 in taking urgent action to combat climate change and its impacts. There are several campaigns on climate change. You can read about them on their websites.<sup>21</sup>

<sup>21</sup> <https://www.thedrum.com/news/2022/02/07/5-the-most-awarded-environmental-campaigns-2021> and <https://www.greenhouse.agency/blog/top-10-climate-action-campaigns-of-2019/>

### 1.1.8. Equality in access to wage labour: women as workers in revenue authorities

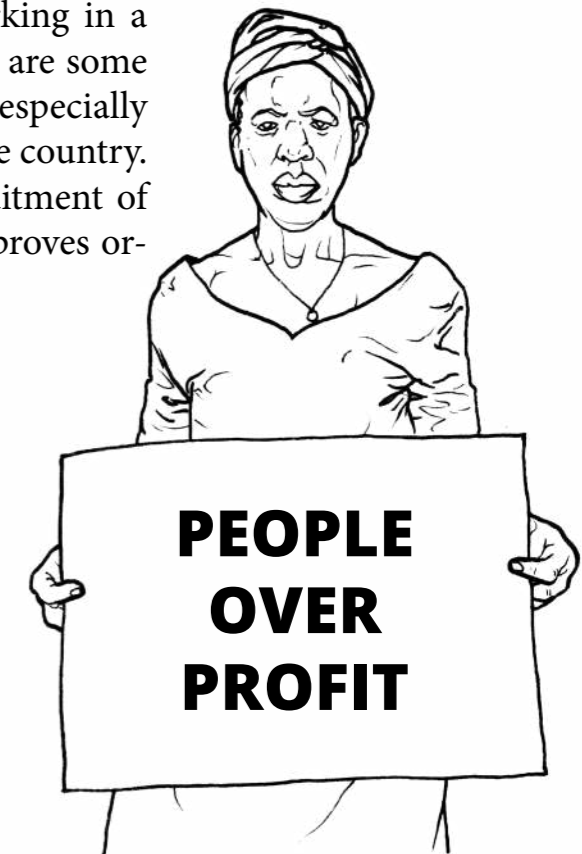
Feminists have raised the question of women's rights to waged employment with pay equity as a key enabler for the realisation of women's equal rights. Furthermore, many have raised questions about what difference can and do women bring to decision-making when they are hired in sufficient numbers and in all levels of a government ministry or a government.

Researchers Michael Mwondha, Tina Kaidu Barugahara, Mwajumah Nakku Mubiru, Sarah Wasagali Kanaabi and Milly Isingoma Nalukwago conducted a study entitled *Why African Tax Authorities Should Employ More Women: Evidence from the Uganda Revenue Authority*. It is not common to find such studies. The evidence from this research is important for feminist advocacy for gender justice, equality of opportunity, access to resources and decision-making. Below is a summary of the study.

Tax collection has historically – in Africa and in the rest of the world – been very much a preserve for men. The situation is changing. Partly because of changes in the ways in which taxes are collected, women are entering the profession in increasing numbers. In Africa, women are still very much in the minority. The Uganda Revenue Authority (URA) is one of the few national tax administrations in Africa that has been employing large numbers of women for many years, and where the numbers of women and men employees are gradually approaching parity. What is the impact of this on staff

performance and organisational growth? Based on a thorough study of the URA's personnel records and a sample survey of 11% of staff, four conclusions emerge. First, the only available indicator of staff performance – scores given to employees following their regular six-monthly appraisals – indicates that women staff on average perform slightly better than men. Second, in an organisation where rates of staff turnover can be high, women on average serve the organisation for slightly longer than men: 12.3 versus 11.6 years. Third, the rate of disciplinary actions against men is more than twice that against women. Fourth, both women and men are generally relaxed and satisfied with working in a mixed-gender environment – although there are some marginal concerns among men that they are especially likely to be posted to more remote areas of the country. These findings suggest that large-scale recruitment of women into tax administration probably improves organisational performance.<sup>22</sup>

<sup>22</sup> Mwondha, M. et al. (2018). *Why African Tax Authorities Should Employ More Women: Evidence from the Uganda Revenue Authority*. <https://www.ictd.ac/publication/why-african-tax-authorities-should-employ-more-women-evidence-from-the-uganda-revenue-authority/>



## 1.2. Workshop sessions

*This section offers some exercises for facilitating group discussions on gender equality and tax justice. The exercises begin with your own experience as women, men and gender-diverse peoples in your groups or civil society organisations. Adapt them to your needs and constituencies.*

### 1.2.1. Exercise 1: You and workshop participants

1. Share the information above with your group. Ask them to read it in advance or ask one of them to present the information to the group. Lead a discussion with your group with the following questions. Document the answers for future reference. Perhaps you can use the learnings from here for an advocacy campaign for gender equality and tax justice?
2. If you are a large group, you can do this exercise in small groups, so everyone has an opportunity to participate. Encourage each group to write up their answers and present to the larger group for discussion.



#### Discussion Questions

- Do you pay taxes?
- What taxes do you pay?
- Have you considered the indirect taxes such as VAT or sales taxes?
- Do you understand the taxes you pay?
- Do you think you are paying too little or too much?
- What happens to the taxes you pay? How are they used? Do you

*benefit from this use?*

- What is the role of the national and/or local government in your taxes?
- Can you think of a fairer way of collecting taxes?
- Which products or earnings should be tax exempt?

### 1.2.2. Exercise 2: Tax and gender in your community

Conduct this exercise with a group of people you work with, e.g., market women, students, teachers, nurses, elected councillors, a coalition of women's groups, etc. You can discuss the questions below as one large group or break out into smaller groups to enable more members to participate. Document your responses.

#### Discussion Questions

- How do people in your group feel about taxes? (You might want to differentiate their responses by sex, socio-economic status, etc. and as whether they refer to tax collection and tax expenditure.)
- Do you know the tax concerns of the women you work with?
- Have they ever spoken about their concerns about tax?
- What are their concerns?
- Have you heard men speak about taxes? If so, what do men say about their taxes and what do they do?
- From your knowledge of these women and men and your discussions with them, can you outline the similarities and differences of the views of women and men about different taxes?
- What strikes you about their responses?
- From your engagement in the exercises above, what do you think

*is the understanding of your group members about tax and tax systems in your country?*

### **1.2.3. Exercise 3: Discussion on the materials presented in 1.1**

Using the information above, present and discuss the key issues of gender equality and tax with your colleagues. Each of you can pick one of the topics and discuss that with the larger group. Feel free to add additional information based on your specific context. Document group responses.



#### **Discussion Questions**

- *What do you think about the issues of tax justice for women's rights?*
- *Are the gender equality/inequality issues in taxation being discussed here relevant to you? If so, which ones?*
- *Discuss why a feminist approach is needed for understanding tax systems.*
- *Does anyone know of any work happening on these topics in their country, region or at the global level? Please elaborate.*

### **1.2.4. Exercise 4: Public services and gender equality**

This session consists of two tools: the tax body map and the effects matrix. These exercises will enable you to see the impacts of inadequate public services on women, men, girls, boys and gender diverse people. While doing this exercise, also think of other intersectional implications of the public service based on age, caste, location, etc. as relevant to your context.

#### **Session Objectives**

- 1.** Discuss the effects of the absence or poor quality of a public service.
- 2.** Explore how men and women might experience these problems differently.

#### **Learning Outcomes**

- Recognise that women and girls are affected more than men and boys when public services are unavailable, inadequate or gender blind.
- Understand the importance of acting in support of women and girls to mitigate the challenges.

<sup>23</sup> This is a map of social services available in a geographical area. Participants use the map to analyse and assess public services available in the area and to determine the critical public services missing in their area.

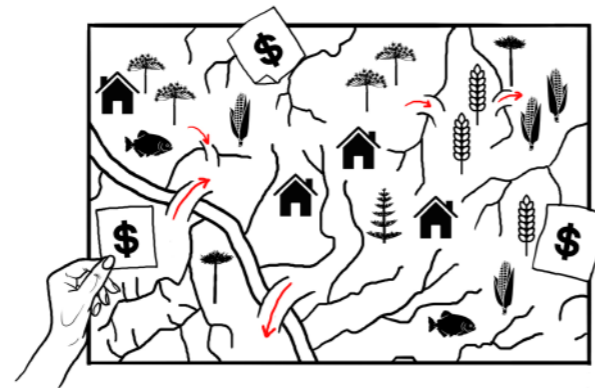
## Tool 1: Tax body map

### Description

A sketch of the human body is used as a guide to solicit responses from participants about the effects of a phenomenon on different groups, including by gender. Here the body map is used to look at the effects of not having a public service on people's rights, especially women and girls.

### Steps

- Find a safe space to do the body map exercise in small groups, e.g., divided by gender or age.
- Draw the outline of a person on the ground or on a large sheet of paper. You may ask one of the participants to volunteer to lie down on the floor and draw around them. You can also draw the body freehand.
- You may want to review the **public service map tool**<sup>23</sup> with participants. Now ask them: 'How does the lack of public services affect you, your body, and your health?'



- Give participants cards/post-its to stick to the part of the body where the effect is felt.

- During the discussion, the facilitator can relate the lack of public services to unpaid care work and how that often disproportionately affects women's time and bodies. For instance, if local people are not able to pay for water services or do not have a local water point, this may make the women and girls travel far to fetch water, thus burdening their bodies and affecting time and mobility options for their right to do paid work. Another example could be the proximity of a free primary school and the quality of sanitary installations there for girls' enrolment and attendance.

- Now discuss: 'How does the lack of public services affect gender-based violence?' Show it on the map again with cards/post-its. You may want to use another colour. You can use the 'how' question technique to encourage participants to think about how public institutions could reduce violence on women and girls, such as police, judges, lighting, safer transport.

- Discuss: 'Who is in charge to get the basic products at home such as soap, food, baby needs and water?' 'How does a high VAT tax on these products affect women?' Show it on the map again with cards/post-its. You may want to use another colour.

- Finally, **draw an action plan**<sup>24</sup> – how would you improve the situation of women in your context through tax and public services? The image of a bridge over a river is used to show the steps taken from the past to the current or future situation. The image helps to assess both the steps needed to achieve the change (the bridge) and the change itself (the difference between the old and new situations).

<sup>24</sup> There are many possible approaches to action planning. You can find ideas for methods at [www.reflectionaction.org](http://www.reflectionaction.org)



Steps in the process of drawing an action plan:

- On a large piece of flip chart draw a river with a bridge over it. The left-hand bank of the river represents the 'before' situation, the planks of the bridge represent the 'action plan' or steps taken, and the right-hand side of the river represents the 'after' situation.
- Lead a discussion on what needs to be done and steps taken to achieve the change?
- Then ask the participants to draw/write down about the steps they want to take (on action on one plank of the bridge).
- Ask participants to draw/write about the current situation (the left bank of the river).
- Ask participants to draw/write about the change they want to achieve (the right bank of the river).

## Tool 2: Effects matrix

### Description

This is a matrix with two columns used to collate the effects of the lack of a particular social service in a community. It provides an immediate and visual contrast of the gendered effects. The contrast is expected to ignite and drive action to address unequal gender-based differences of inadequate public services.

### Steps

- The facilitator draws the matrix on big flip chart paper, leaving out the bottom row.
- The facilitator displays the matrix and tells participants they are about to play a women-vs-men game.
- The facilitator divides the participants into two groups: one of women and the other of men.
- The facilitator gives each group some time to discuss and identify as many effects as possible (e.g., health, economic, social, emotional, and physical) of the lack of a particular social service (water, market centre, electricity, school etc.) on them as women or men.
- Back in plenary, the facilitator places the matrix in between the groups to play the game.
- The facilitator gets each group to alternately present point by point the identified effects as the facilitator writes them on the matrix. Either group can challenge the other group's point if it is found not to be true. The participants appoint a judge who then overrules or upholds the objection based on the arguments.
- At the end of the game, the group with the highest number of accepted points 'wins' the game.
- The facilitator asks participants if they will want to take action to mitigate the effects on the 'winning' group. If yes, discuss and document action points.

EFFECTS MATRIX	
WOMEN & GIRLS	MEN & BOYS
1.	1.
2.	2.
3.	3.
ETC	ETC



# Chapter 2

<sup>25</sup> UN Women (2018). Gender, Taxation and Equality In Developing Countries: Issues and policy recommendations. <https://www2.unwomen.org/-/media/files/un%20women/grb/resources/geder-tax-report-fin-web.pdf?vs=3508>

<sup>26</sup> Action Aid (2018). [https://actionaid.org/sites/default/files/progressive\\_taxation\\_introduction.pdf](https://actionaid.org/sites/default/files/progressive_taxation_introduction.pdf)

## Different Tax Systems and Taxes

*Governments are constrained in their resources because they tolerate widespread tax evasion and avoidance. Knowingly or unknowingly, they have allowed companies and wealthy individuals to escape from paying their fair share of taxes – sometimes illegally, but very often completely legally.*

*Jayati Ghosh, Feminist Economist*

### 2.1. Tax systems

In general, tax systems can be either progressive or regressive, which includes flat rate taxes.

#### 2.1.1. Progressive tax systems

Progressive taxes and tax systems transfer economic resources from the highest incomes to those with lower incomes.<sup>25</sup> Progressive tax systems mean higher tax rates for those with higher incomes or more wealth and assets, so that those who earn or have more are taxed at a higher rate. A progressive tax imposes a greater percentage of taxation on higher income levels, as high-income earners can afford to pay more. Personal income tax (PIT) based on graduated scales where the tax rate goes up as income levels rise is an example of progressivity.<sup>26</sup> Taxes can become more progressive by using well-designed thresholds to

determine who has enough to pay a particular tax and exemptions and the system overall can be progressive when different rates are applied to different taxes.<sup>27</sup>

#### 2.1.2. Regressive tax systems

Regressive taxes and tax systems transfer economic resources from those with low and/or middle incomes to those with higher incomes. Regressive allocation of taxes means that those with the lowest incomes – those with the least ability to pay taxes – are being asked to contribute proportionately more of their incomes to government revenues than are those with a greater ability to pay taxes.<sup>28</sup> A regressive tax system levies the same percentage on products or goods purchased regardless of the buyer's income. It means the poor pay a greater proportion of their available resources than the rich. Consumption taxes that employ a flat rate are a good example of regressive taxes.<sup>29</sup>

### 2.2. Types of taxes

A tax is a compulsory transfer of money from individuals and businesses to the government.<sup>30</sup> Taxes are generally divided in terms of taxes on what you **earn (income)**, taxes on what you **buy (consumption)** and taxes on what you **own (wealth)**. From an economic justice and human rights perspective, taxes are crucial for four reasons, which can be summarised as the four 'Rs': (1) Revenue: funding to deliver the services citizens need, (2) Redistribution: to address poverty and inequality, (3) Representation: building accountability of governments to citizens and reclaiming the policy space, (4) Repricing: limiting public 'bads';

<sup>27</sup> Christian Aid & SOMO (2011). Tax Justice Advocacy: A toolkit for civil society. <https://www.christianaid.org.uk/sites/default/files/2016-03/tax-justice-advocacy-tool-kit-jan-2011.pdf>

<sup>28</sup> UN Women (2018). Gender, Taxation and Equality In Developing Countries: Issues and policy recommendations. <https://www2.unwomen.org/-/media/files/un%20women/grb/resources/geder-tax-report-fin-web.pdf?vs=3508>

<sup>29</sup> Action Aid (2018). Progressive Taxation Briefings. [https://actionaid.org/sites/default/files/progressive\\_taxation\\_introduction.pdf](https://actionaid.org/sites/default/files/progressive_taxation_introduction.pdf)

<sup>30</sup> International Budget Partnership (2006). A Guide to Tax Work for NGOs.

<sup>31</sup> Christian Aid & SOMO (2011). Tax Justice Advocacy: A toolkit for civil society. <https://www.christianaid.org.uk/sites/default/files/2016-03/tax-justice-advocacy-toolkit-jan-2011.pdf>

encouraging public 'goods'.<sup>31</sup> Read more in [Vol. 1 of Framing Feminist Taxation: With examples from Uganda](#).

There are two categories of tax.

### 2.2.1. Direct Taxes

**Personal Income Tax (PIT)** is levied on personal income. It is paid by resident and non-resident individuals. PIT rates may be flat or they may be graduated, meaning that the tax rate increases as taxable income increases using the Pay As You Earn (PAYE) system.

**Corporate Income Tax (CIT)** is a direct tax levied on the profits of a company as a legal entity. CIT is applicable to the profits earned by companies considered separate legal entities from the individuals that own them and are treated in a similar way as individuals: they can acquire debt, sue and be sued. Shareholders can limit their liabilities in respect of debt or being sued and, most importantly, they are required to pay taxes on the profits they earn minus the cost of allowable expenses incurred by the company. CIT is mostly levied at the national level, but it also has international implications. Currently, most countries treat every company as a separate entity for tax purposes, even if they are part of a multinational group. As a result of globalisation, the increased ease of movement of goods and services, and mobility of capital, multinational corporations have been able to establish subsidiary companies in many different countries, engaging in commercial transactions across borders. To avoid **double taxation** of the same profits in different countries, governments have been responding with bilateral or multilateral policies to allocate

the taxation of these profits between themselves. However, multinational corporations can take advantage of these complex and often incompatible systems, using various techniques to **shift taxable profits** to countries that offer lower corporate tax rates, giving rise to tax avoidance and tax competition between countries. For this reason, cooperation between governments has become increasingly necessary. Recently, the Organisation for Economic Co-operation and Development (OECD) published a two-pillar model rule for domestic implementation of the 15% global corporate rate.<sup>32</sup> Civil society organisations (CSOs) continue to push back to stop the tax deal from becoming a binding multilateral agreement. Instead, they argue that what is needed is a United Nations Convention on Tax jointly negotiated by all countries.

**Property taxes** can take many different forms. They are usually based on the market value, size or location of land and/or buildings and can apply to either residential (whether owned by an individual or a company) or commercial property. Property taxes can also refer to stamp duty and other taxes paid when purchasing a property, as well as capital gains taxes and other fees and taxes related to the sale of a property. While stamp duty and capital gains taxes are usually paid to the central government, property taxes are usually administered by the local government. In francophone African countries property taxes tend to be collected by the central government.

**Wealth taxes** can be imposed on the holding of wealth, the transfer of wealth or the appreciation of wealth. They tax a person's assets and can include a tax on cash, bank deposits, shares, personal cars, assessed value of real property and pension plans.

<sup>32</sup> <https://www.oecd.org/tax/beps/oecd-releases-pillar-two-model-rules-for-domestic-implementation-of-15-per-cent-global-minimum-tax.htm>

Taxes on the transfer of wealth usually refer to inheritance taxes, estate taxes and taxes on donations or gifts. Taxes on the appreciation of wealth usually take the form of capital gains taxes. Wealth taxes can reduce inequality while raising revenue, but countries have often struggled to design and administer viable and politically palatable wealth taxes. Additionally, especially in many countries in the Global South there is a failure to tax accumulated wealth rather than income.

#### **Excess profits tax**

An excess profits tax is an extra tax imposed on business profits or income above a certain rate. Excess profits taxes can be temporary or permanent and are usually intended to offset income inequality, especially that due to windfall profits.

In the US, excess profits taxes have repeatedly been imposed by the federal government during periods of war and other crises. During the COVID-19 crisis, tax justice advocates proposed an excess profit tax especially for the wealthy elite who made astronomical profits.

**Capital Gains Tax (CGT)** is a tax on the increase in value of an asset when it is sold. Examples of this include the sale of land, buildings, stocks and shares, or valuable items such as paintings or yachts. For the purposes of calculating the tax, what matters is how much the asset has appreciated in value (minus some deductible expenses). Capital gains in Uganda are taxed at the standard corporate tax rate of 30%. In the case of a venture capital fund, a capital gain will not be recognised if the fund is registered with the Capital Markets Authority of Uganda and reinvests 50% of the proceeds of its investment within the year of income. A

non-resident (other than an individual) who becomes a resident person will be deemed to have acquired all assets at the time of becoming a resident.

**Municipal taxes and user fees** are taxes that are assessed on a wide variety of services provided by municipal governments and their utilities or municipal services companies. Local governments also generate revenue through licensing fees.

#### **2.2.2. Indirect Taxes**

Value Added Tax (VAT) is an indirect tax levied on the value added by producers, suppliers and service providers at each point in a supply chain. Its cost is usually passed on to the consumer. Some countries use a goods and services tax (GST). Commonly consumed items such as basic foods or domestic fuel may be **exempted** from VAT, meaning that the tax is not due at all or is **zero-rated** meaning VAT is charged at 0% to relieve the tax burden on the poor. In some countries basic products used by men do fall into this category but products (like menstrual hygiene products) used by people who menstruate do not.

VAT is commonly thought to be regressive, meaning that poorer people pay a higher proportion of their income in tax. This is because poor people generally spend more of their income than the rich. Since women make up more of the poor than men, there is a concern that consumption taxes like VAT therefore fall disproportionately on women. However, luxury VAT/GST imposed on selective items can be useful and progressive.

<sup>33</sup> In Uganda, research has shown that presumptive tax rates do not differ across economic sectors since they are the same even for sectors predominantly composed of women workers, such as service sectors like hair dressing. This situation is worse for women who don't keep records for their small businesses (mainly because of illiteracy) as the presumptive tax that they are subjected to is merely estimated, disregarding the turnover.

<sup>34</sup> Presumptive taxation involves the use of indirect means to ascertain tax liability, which differ from the usual rules based on the taxpayer's accounts. The term 'presumptive' is used to indicate that there is a legal presumption that the taxpayer's income is no less than the amount resulting from application of the indirect method.

**Excise taxes** (sometimes also referred to as sin taxes) are taxes levied on specific goods such as alcohol, tobacco, fuel and luxury goods and on activities such as gambling. Excise taxes are also levied on luxury products such as perfume, jewellery, inputs for cars, planes and helicopters, high-end brands and supplies for high-end services. Fuel taxes are most often applied to fuels used for transport, such as petrol and diesel. Because this raises the cost of transporting goods, it affects the whole economy. Fuels for domestic heating and lighting (such as kerosene), crucial to many low-income households, are often taxed at lower rates or exempted. Fuels for agricultural or industrial vehicles, and for electricity generation, are also usually taxed at lower rates.

**Taxation of the informal sector** – informal workers and businesses do not pay income tax in the same way as formal ones. Informal businesses also do not pay VAT to the government because they are not registered with the government. But they do pay VAT on inputs they purchase, without any chance of a refund (which is available only to VAT-registered companies). They are taxed through numerous types of **fees, charges and licensing costs** and **presumptive**<sup>33</sup> **taxes**<sup>34</sup> (based on turnover). Often these taxes and fees fail to take account of one another, and overlap, resulting in the payer being taxed multiple times. They tend to be based on very general estimates and are commonly flat rated (e.g. market taxes and fees levied on market stallholders), which usually produces regressive results. Because a higher proportion of women than men work in the informal sector, taxes on the informal sector fall on women more than men.

**Trade taxes** are charged on the value of import and export duties. Imports can also generate significant amounts of VAT, though import VAT is usually considered to be a domestic rather than a trade tax. Trade taxes are also known as tariffs.

**Carbon taxes** are a type of environmental tax aimed at encouraging a reduction in carbon emissions. There is currently no uniform definition for what constitutes an environmental tax, although it is generally identified as any tax associated with environmental items or goods.

**Digital services tax** is applied to digital business activities, including both digital-only brands, which deal with virtual commodities, and the services that traditional market players use while transforming their businesses with digital technologies. Some examples are social media companies, collaborative platforms and online content providers. Digital goods include downloaded software, website applications and digital assets.<sup>35</sup> While international solutions are still not yet agreed upon, individual countries have developed their own digital tax policies, for instance, those imposed by France, Canada, India, Kenya, Zimbabwe etc.

Source: Adapted from Action Aid. (2018). Progressive Taxation Briefings. [https://actionaid.org/sites/default/files/progressive\\_taxation\\_introduction.pdf](https://actionaid.org/sites/default/files/progressive_taxation_introduction.pdf)

<sup>35</sup> <https://payspacemagazine.com/tech/digital-tax-explained/>

### Gendered Issues of Taxation in Uganda

This section focuses on three areas, gender issues of tax policy in: i) personal income tax ii) corporate income tax and iii) consumption taxes in Uganda. Tax policy impacts women on how taxes are collected and how much is collected. The how can impact women by making them contribute more than men, relative to their income (e.g., through flat or regressive taxes like the VAT); endanger their livelihoods by demanding contributions from women with very low income (e.g., VAT or informal sector taxation); shape their role in economy or society. Thus, advocate for the overall tax system to be more progressive and removing any explicit and implicit gender biases. The how much impacts how much money is available in the public budget for gender responsive public services that women rely on more heavily than men. Of course, the link between the revenue raised and spending is not automatic – we also need appropriate, gender-sensitive budgeting. Thus, advocate on the amount of revenue raised, so e.g., revenue lost to corporate tax evasion and tax avoidance as well as other progressive potential sources of tax revenue such as property tax or trade taxes.



### 2.3. Gender issues of personal income tax in Uganda

Many features of existing PIT laws have negative effects on women and those with low incomes but favour those with high incomes. This undermines the redistribution of unequal incomes, which is one of the core purposes of fair PIT systems.<sup>36</sup> PIT in Uganda does not fully respect the principle of allocating tax burdens to those with low incomes based on ability to pay. The system provides only partial tax relief for minimum basic living costs, which is disproportionately costlier for women because they have lower average incomes than men. Secondly, Uganda ties eligibility for income security programmes (such as unemployment benefits, disability support, pension incomes, access to expanded health services) and social security programmes to employment income. Because fewer women than men are employed, and because women in paid work have lower average incomes than men, women generally benefit less from these tied programmes. Table 1 below shows the pay as you earn rates in Uganda.

<sup>36</sup> UN Women. (2018). Gender, Taxation and Equality in Developing Countries: Issues and policy recommendations. <https://www2.unwomen.org/-/media/files/un%20women/grb/resources/geder-tax-report-fin-web.pdf?vs=3508>

**Table 1:**  
**Uganda Pay As You Earn (PAYE) rates in effect as from 1 July 2012**

Chargeable Monthly Income in UGX	Resident's Rate of Tax (%)
Up to 235,000	Nil
235,001 – 335,000	10
335,001 – 410,000	20
410,001 – 10,000,000	30
Above 10,000,000	40

Source: [https://www.gtuganda.co.ug/globalassets/markets/uga/media/doing\\_business\\_in\\_uganda\\_taxation.pdf](https://www.gtuganda.co.ug/globalassets/markets/uga/media/doing_business_in_uganda_taxation.pdf)

## 2.4. Gender issues of corporate income tax in Uganda

A standard 30% income tax rate is imposed on corporations.<sup>37</sup> This applies to both resident and non-resident corporations. A company is resident in Uganda if it is incorporated or formed under Ugandan law and if it has management and control of its affairs exercised in Uganda or if most of its operations are carried out in the country during the taxation year. Residents are taxed on their worldwide income whereas non-residents are taxed only on income sourced in Uganda. In the case of non-resident corporations, in addition to payment of the standard 30% corporate tax, a withholding tax rate of 15% is levied on a branch of a foreign company on the profit repatriated to the head office.<sup>38</sup>

Women-led businesses in Uganda are predominantly located in the unincorporated sector, and men-led businesses predominate in the corporate sector due to the prevailing socio-economic realities of women's lives. This structural gender difference produces differences in levels of tax liabilities, after-tax incomes, accumulated capital, and wealth for those who own these two types of businesses. Overall, the after-tax financial advantages of corporate tax systems accrue markedly to men.<sup>39</sup> Corporate tax issues affect women's economic status and opportunities because they are not represented equally in the corporate sector as owners, managers or employees. Even though global CIT rate cuts over the last several decades have increased the tax benefits of incorporating businesses and tax subsidies available to corporations as legally separate taxable 'persons' or 'entities',<sup>40</sup> women

<sup>37</sup> Dentons (2020). Global Tax Guide to Doing Business in Uganda. <https://www.dentons.com/en/services-and-solutions/global-tax-guide-to-doing-business-in/uganda#:~:text=nature%20of%20transaction,-,Corporate%20income%20tax,resident%20and%20non%20resident%20corporations.>

<sup>38</sup> Ibid.

<sup>39</sup> UN Women. (2018.) Gender, Taxation and Equality in Developing Countries: Issues and policy recommendations. <https://www2.unwomen.org/-/media/files/un%20women/grb/resources/geder-tax-report-fin-web.pdf?vs=3508>

<sup>40</sup> Ibid.

<sup>41</sup> Ibid.

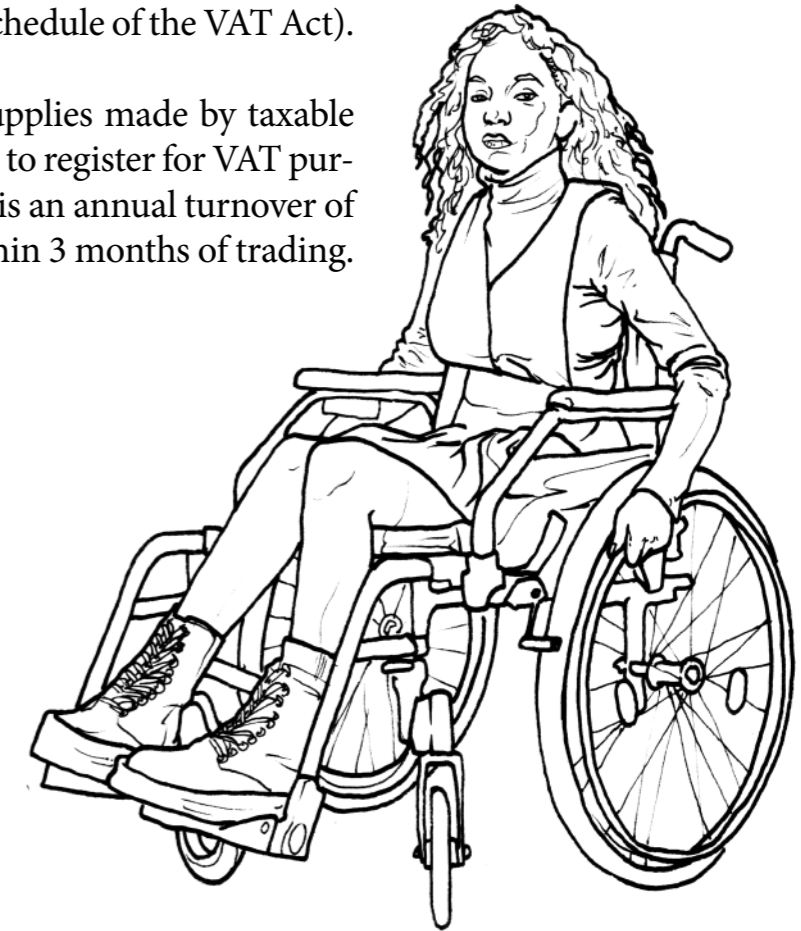
are not involved in the corporate sector in significant numbers.

Meanwhile, MNC profit shifting to obtain low or zero CIT rates in tax havens, the growing use of generous tax holidays and incentives to attract foreign direct investment and the offer of special tax regimes for extractive operations and special tax-free economic zones have all further reduced average CIT rates worldwide. Thus, substantially more men benefit from the reduced CIT rates and capital gains exemptions on sales of corporate shares.<sup>41</sup> The trend towards lower CIT rates has significantly reduced national revenues. However, the negative impact on women in lower income countries is more direct and harmful. Shrinking CIT revenues are often replaced with consumption tax revenues, which do not usually take gender differences in ability to pay those taxes into consideration. In the wake of the movement towards fiscal austerity, deficit reduction and cuts to public services, falling CIT revenues and falling tax-to-GDP ratios constrain government budgets and lead to cuts in public services such as health and education and undermine gender equality and women's economic empowerment.

## 2.5. Gendered impacts of VAT and other consumption taxes in Uganda

The Uganda government implemented VAT in July 1996 to replace the sales tax on products and the commercial transaction levy on services. It was implemented with three regimes: exempt, zero rate, and a normal rate of 17%, which was increased to 18% in 2005/06 (see Table 2 below on the Third Schedule of the VAT Act).

VAT is charged at a rate of 18% on all supplies made by taxable persons, i.e. persons registered or required to register for VAT purposes. The threshold for VAT registration is an annual turnover of UGX 50m or turnover of UGX 12.5m within 3 months of trading.



**Table 2:  
Uganda goods and services by VAT regime**

<b>Exempt Regime</b>	<ul style="list-style-type: none"> <li>• Supply of unprocessed foodstuffs.</li> <li>• Unprocessed agricultural products and livestock.</li> <li>• Supply of financial services.</li> <li>• Supply of insurance services.</li> <li>• Supply of postage stamps.</li> <li>• Supply of fuel products.</li> <li>• Supply of unimproved land.</li> <li>• Supply by way of leasing and letting of immovable property.</li> </ul>	<ul style="list-style-type: none"> <li>• Education services.</li> <li>• Medical, dental and nursing services.</li> <li>• Social welfare services.</li> <li>• Supply of betting, lotteries and games of chance.</li> <li>• Supply of burial and cremation services.</li> <li>• Supply of precious metals and other valuables to the Bank of Uganda for the state Treasury.</li> <li>• Passenger transportation services (other than tour and travel operators);</li> </ul>	<ul style="list-style-type: none"> <li>• Supply of dental, medical and veterinary equipment.</li> <li>• Supply of feeds for poultry and livestock.</li> <li>• Supply of machinery used for the processing of agricultural or dairy products.</li> <li>• Supply of photosensitive semiconductor devices, including photovoltaic devices, whether assembled in modules or made into panels, light emitting diodes.</li> <li>• Supply of computers and printers.</li> </ul>
<b>Zero-Rate Regime</b>	<ul style="list-style-type: none"> <li>• All exported goods and services.</li> <li>• Milk, including milk treated in any way to preserve it.</li> <li>• Seeds; fertilisers; pesticides and hoes; educational material.</li> </ul>	<ul style="list-style-type: none"> <li>• Supply of cereals, where the cereals are grown, milled or produced in Uganda.</li> <li>• Supply of machinery tools and implements suitable for use only in agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>• Supply of international transport of goods or passengers and tickets for their transport.</li> <li>• Supply of printing services for educational material.</li> </ul>
<b>Standard Rate of 18%</b>	<ul style="list-style-type: none"> <li>• All items that are not exempted or zero-rated.</li> </ul>		

Source: VAT Act Cap 349, Second and Third Schedule of the VAT Act, <https://www.cof.org/sites/default/files/documents/files/Uganda/VAT%20Act,%20Cap%20349.pdf>

<sup>42</sup> UN Women (2018). Gender, Taxation and Equality in Developing Countries: Issues and policy recommendations. <https://www2.unwomen.org/-/media/files/un%20women/grb/resources/gender-tax-report-fin-web.pdf?vs=3508>

Is VAT a good choice for developing countries – particularly for women in developing countries? The first consideration should be whether women and those living in poverty have the basic ‘ability to pay’ VAT that may often be assumed to exist. The second question is how VAT affects women’s ability to accumulate savings and acquire capital assets over their lives as compared with men. The third question of inquiry is the impact of VAT on women-led businesses. The fourth is how developing countries have dealt with these issues, with particular emphasis on provisions designed to reduce the regressive incidence of VAT on women and those living on incomes near or below poverty levels. More women than men and all those living in poverty will not have the ‘ability to pay’ VAT on necessities of living. The VAT impairs women’s ability to invest in education, nutrition, living conditions and health care, to acquire capital assets, to carry on businesses profitably, or to live on unequal wages and attain economic security or equality.<sup>42</sup>



**Table 3:**  
**Revenue from various tax heads in Uganda**  
**shillings (billions)**

<sup>43</sup> OECD (2019). <https://www.oecd.org/ctp/tax-policy/revenue-statistics-africa-uganda.pdf>

Tax Head	Revenue in Uganda UGX (Billions) by Financial Year			
	2016/17	2017/18	2018/19	2019/20
PAYE	2,114	2,396	2,811	3,039
VAT	2,022	2,234	2,554	2,608
Excise	820	954	1,317	1,266
Corporate Tax	764	885	1,168	1,302
Presumptive Tax	4	5	7	5

Source: Uganda Revenue Authority (2021)

One of the unique features of low- and medium-income country tax systems is their growing reliance on VAT or GST, often advised by international financial institutions as ‘easier to administrate’. In table 3 above, VAT revenues in F/Y 2019/20 account for approximately two times as much revenue in Uganda as their third biggest source of revenue – CITs. The highest share of tax revenues in Uganda in 2019 (34%) was contributed by taxes PIT. The second-highest share of tax revenues in 2019 was derived from VAT (31%).<sup>43</sup>

## 2.6. Workshop sessions

### 2.6.1. Exercise 5: Who shapes your country's tax policy?

Discuss the following questions in a large group or break out in smaller groups. Ensure that the discussions are documented and shared with everyone. You might want to reflect on the different aspects of drafting, approving and implementing tax policies and the adequacy of the resources devoted to these aspects. You might also want to reflect on the power dynamics behind the decision-making processes. For example, which groups have stronger voices? How transparent and participatory is the process to develop and review tax policy? Who are the main winners and losers in taxation?



#### Discussion Questions – Part 1

- *Who are the key decision makers who shape your country's tax policy?*
- *Who initiates and leads the discussions on tax policy?*
- *Are women and women's groups consulted on tax policy reform?*
- *Are other members of society consulted on tax policy reform? Who are they?*
- *Which strategies have been most/least successful in enabling tax policy reforms?*
- *Do you know if your country's tax policy takes into consideration women's unpaid work in the home and the community?*
- *Does the tax policy address environmental integrity and climate change?*

- *Is there discussion about tax reform at the community level? At your workplace?*
- *Is there monitoring of fiscal policy by the government/civil society organisations or research institutes?*
- *Is there data and analysis disaggregated by gender, age, location, income and other demographic categories?*

#### Discussion Questions – Part 2

- *Following this exercise, what is your conclusion about tax policy in your country?*
- *How would you make decision-making in tax policy fairer?*
- *Can you identify areas for tax reform?*

### 2.6.2. Exercise 6: Different kinds of Taxes

Share the information from Chapter 2 on different tax systems and taxes in Uganda with your group. This will provide the background for you to discuss the tax system in your country. If you think that group members do not have sufficient knowledge about the tax system in your country, then work with the example of Uganda. Following the exercise, you can decide how to collect the information about different taxes in your country.



## Discussion Questions

- What is the tax/GDP ratio in your country and how has it changed in the last 10 to 20 years?
- What is the ratio between direct and indirect taxes in terms of tax/GDP? How has this changed in the last 10 to 20 years?
- Identify the different types of tax systems and the two categories of taxes, i.e. direct and indirect taxes.
- Discuss the different types of taxes providing brief descriptions for each.
- From your country's sources of tax revenue, determine the amount raised in each financial year under the different categories of tax.
- Which category accounts for the highest revenue? (Hint – this data can be found with the Revenue Authority or Statistics Bureau.)
- Does your Revenue Authority collect disaggregated data, e.g. by gender, age, caste, location? Can you identify which socio-demographic groups are paying the most taxes and for what?
- Explore the range of taxes where participants may choose to intervene to bring about positive change towards a feminist tax system.
- Under CIT, are countries in your region engaged in tax competition? Explore the corporate tax rates of other countries in the region. Is there a 'race to the bottom' where countries try to attract companies based on tax breaks?

- Which double taxation treaties has your country signed? Are any of these treaties being reviewed? Are any new treaties being negotiated?
- The information gathered from these discussions will enable an understanding of the decision makers on tax policy in your country and highlight the gaps in public engagement and inputs. It will also illuminate whether the interests of women and low-income residents are incorporated into tax policy or not and what is the level of transparency and accountability in your country.
- Following the discussion, you can collectively assess the inputs and develop a plan to obtain the missing tax information you need as well as determine what you would like to focus on for your advocacy on tax justice.





# Chapter 3

<sup>44</sup> This content is based on the Center for Economic and Social Rights' 'Decoding Injustice' modules. Available at: <http://cesr.org/decoding-injustice/>

## Gender Equality and Human Rights-Based Analytical Frameworks for Tax Justice

*Our estimates show that illicit financial flows strip poorer nations of revenue losses to the tune of \$416bn per year. This is through practices including tax abuses and avoidance by MNCs and wealthy individuals, and tax losses due to tax evasion arising from companies who deliberately misprice goods and commodities to minimise tax liability.*

*Christian Aid, 2018*

### 3.1. OPERA Human rights analysis framework

Feminist economists have developed numerous tools for **gender equality and human rights analysis frameworks** to analyse both fiscal and monetary policy. They address gender and intersecting inequalities in the budget, i.e., the expenditure side and the revenue side.

#### What is human rights monitoring?<sup>44</sup>

To monitor or analyse taxes using a human rights lens means that human rights is relevant to both the objective and the process:

- the objective of the analysis is (to understand whether a policy

or outcome complies with human rights obligations and principles); and

- the process by which you do it is (using the norms and standards of human rights law/frameworks as a guide and benchmark).

Increasingly, it is accepted that tax structures and policies play a very important role in realising rights and that they should be guided by human rights. But what can taking a human rights approach offer when evaluating the direct or indirect impact of a country's tax mix on its people? Among other advantages, human rights provide a normative and values-based framework with which to analyse economic structures and policies. If we think about human rights realisation as the primary aim of the economy, we can shine a spotlight on whether economic policies are creating or combating deprivation, marginalisation and exclusion.

One of the most fundamental principles of human rights is that every human being is a **rights holder**, and that every human right has a corresponding **duty bearer**, meaning someone who bears responsibility for guaranteeing that right.<sup>45</sup> A human rights-based analysis therefore asks the following questions:

- Who has been left behind and why? Asking 'who' helps to identify persistent patterns of discrimination, exclusion, impunity and power differentials. Asking 'why' a form of causality analysis is and helps to identify immediate, underlying and root causes of exclusion.

<sup>45</sup> The questions directed to duty bearers that refer to governments can also be asked of the private sector and International Financial Institutions.



<sup>46</sup> You might want to also explore accountability mechanisms that may be signed by your government at national, regional or international levels. These can be treaty bodies, i.e. human rights treaties, that governments have already signed up to including numerous conventions such as the Convention for the Elimination of Discrimination Against Women, the Maputo Protocol on Women's Rights in Africa, the United Nations Declaration on the Rights of Indigenous Peoples, the Convention on the Rights of Persons with Disabilities, the Convention on the Rights of the Child, the Inter-American Convention on the Protection of the Human Rights of Older Persons, etc.

- Who has benefited from policy X? Asking 'why' often illuminates who is benefiting from specific economic policies and whether benefits consistently accrue to corporations, wealthy and/or middle-income households, etc. as opposed to marginalised groups, communities and nature.
- What are they entitled to? This question emphasises that the human rights norms contained in international conventions are not just words on a page but are applicable standards. Achieving these standards is necessary for expanding the freedoms and opportunities that underlie human development.
- Whose responsibility is it to do something about it? This question seeks to identify, in concrete terms, the duty bearers – those with obligations to act – for a specific human right, and to define what is expected of them.
- What do they need in order to take action? This question helps to identify the critical capacity gaps that prevent action. These will nearly always involve gaps in legal, institutional, policy and budgetary frameworks. A knowledge gap on human rights awareness is also common. In this question, 'they' refers to both rights holders and duty bearers.
- How should action be taken? A key characteristic of the human rights-based approach is that the process is just as important as the outcome of development. This question focuses on whether a particular policy decision has been taken in a way that is transparent, accountable, participatory, and empowering for the people who will be affected by it.<sup>46</sup>

## How do we do human rights monitoring?

To do human rights monitoring, we need to use a range of research methods. Some of these are drawn from the field of law. Others come from economics, sociology and beyond. But the human rights framework will always be our guide. What we ultimately care about is how we can make the most convincing case about whether people are enjoying the rights to which they are entitled.

There are several different guides and tools that can be applied to help you monitor tax from a human rights perspective. One is the Center for Economic and Social Rights' CESR's OPERA Framework.<sup>47</sup> It provides a simple, coherent structure with which to evaluate human rights norms more systematically. At its most basic, OPERA is a way to 'reframe' our understanding of what a human rights violation looks like. It looks at:

1. Outcomes – From the perspective of rights holders, what is the problem?
2. Policy Efforts – How have the government's actions<sup>48</sup> positively or negatively affected the problem?
3. Resources – How has the use of resources affected the problem?
4. Assessment – In light of the broader context, is the government responsible for the problem?

When combined, the four dimensions can help us to show the links between evidence about a state's conduct – i.e., what it is or isn't doing – and evidence about the outcomes that result from that conduct – i.e. what this means for people's lives. Each dimension

<sup>47</sup> OPERA Framework  
<https://www.cesr.org/OPERA-framework/>

<sup>48</sup> Private sector companies, MNCs and multilateral institutions such as International Financial Institutions are also accountable and responsible for human rights obligations. Depending on your investigation, you can modify your inquiry to also include them.

provides a broad checklist of the main questions to be answered. Importantly, each question reflects a relevant human rights norm.

Another significant feature of OPERA is that, as well as identifying **what questions need to be answered** to measure relevant norms, it suggests **tools and techniques for how to answer them**, including budget analysis techniques that enable us to judge a government's fiscal policy. It also helps us choose indicators that are meaningful and aligned with international human rights benchmarks/commitments.

### Evaluating tax systems through a human rights lens

A fiscal policy consists of two aspects: a revenue raising side (tax) and an expenditure or spending side (budgets). Clearly, for evaluating both tax and spending policy the “Resources” dimension of OPERA is the most salient. It's important to note however that human rights-aligned fiscal policy must be backed with appropriate measures of financial transparency like public disclosure of ultimate beneficial owners and country-by-country reporting by large MNCs. Such information when publicly available equips oversight agencies as well as civil society watchdogs to track tax abuse and money laundering practices more effectively.

On the budgeting side, funding-related issues are a frequent factor in the poor implementation of laws and policies relating to human rights. A common excuse from governments is that they ‘can't afford’ to invest more in policy implementation. To assess claims such as this, we need to look at resources at the macro, or big picture, level. This involves looking at government budgets to evalu-

ate how money is being generated, allocated and utilised. Human rights budget monitoring therefore has a strong complementarity with gender budgeting and indeed uses some similar tools.

When we focus on this dimension of OPERA, key questions include: Do budgetary allocations prioritise public services? Who has benefited from the spending? How has spending evolved over time? How has the state's budget changed over time? What are the state's main sources of revenue? Are the policies governing the raising of revenue fair and efficient? What is the share of tax paid by different groups and actors? What is preventing the state from raising additional revenue? Are the tax policies of your country harmful to the rights of people from a low- or middle-income country?

In technical terms, we are looking at whether the government is meeting its obligation to dedicate maximum available resources<sup>49</sup> to economic, social and cultural rights, as required by the International Covenant on Economic, Social and Cultural Rights (which the vast majority of countries have ratified). We also want to examine the budget cycle process from the perspective of the human rights principles of participation, non-discrimination, transparency and accountability. Human rights monitoring has more traditionally focused on how resources are spent, e.g., on public services. But OPERA also focuses on how resources are generated or mobilised. See Table 4 below.

- **Why?** To assess whether sufficient revenue is being mobilised from different sources and whether tax policy is equitable in design and effect.
- **How?** Data on relevant fiscal, monetary and macro-economic

<sup>49</sup> [https://www.cesr.org/sites/default/files/CESR\\_COVID\\_Brief\\_1.pdf](https://www.cesr.org/sites/default/files/CESR_COVID_Brief_1.pdf)



policies is evaluated against human rights principles.

**Table 4:  
Resources: Assessing the use and generation of  
adequate resources**

<b>Task</b>	Evaluate resource generation
<b>Human rights norm</b>	Immediate and progressive realisation according to maximum available resources  Non-discrimination
<b>Measurement techniques</b>	Calculate the government's budget as a percentage of the overall economy and compare it to similar countries.  Identify and assess the adequacy and fairness of the government's main revenue sources (e.g., taxation, borrowing, international assistance).  Evaluate the government's fiscal and/or monetary policies governing the raising of revenue (e.g., identify tax base as a percentage of GDP and track its evolution over time, taking into account economic growth over the period).

Source: OPERA Framework p. 22

The human rights framework also includes extraterritorial obligations<sup>50</sup>, for states to cooperate internationally rather than compete. These standards can also be used as a tool to measure state conduct, especially for those states that most facilitate tax abuses and prop up the unfair global tax systems.

Besides CESR's OPERA framework, other resources for human rights monitoring include the UN Human Rights Office (OHCHR) guide to human rights indicators.<sup>51</sup>

### What data is needed for a gender equality and human rights analysis?

Any kind of gender equality analysis of tax policies and systems requires, at a minimum, data that is disaggregated by gender (sometimes this is done by sex, which can exclude gender-diverse people), social and economic status, and age. It is important as a minimum to also have access to data that is disaggregated by other relevant social relations or demographic factors such as location (urban or rural), religion and ethnicity. When referring to socio-economic status it is recommended to consider wealth quintile or income. However, there are other indicators, such as level of education, that are also important to consider when exploring disaggregated data.<sup>52</sup>

For additional information and discussion on the critical issue of disaggregated data consider the ESCR-Net position paper on human rights-based and participatory approaches to data collection.<sup>53</sup>

<sup>50</sup> [https://www.cesr.org/sites/default/files/Issue%20Brief%202\\_.pdf](https://www.cesr.org/sites/default/files/Issue%20Brief%202_.pdf)

<sup>51</sup> [https://www.ohchr.org/sites/default/files/Documents/Publications/Human\\_rights\\_indicators\\_en.pdf](https://www.ohchr.org/sites/default/files/Documents/Publications/Human_rights_indicators_en.pdf)

<sup>52</sup> <https://www.apa.org/topics/socioeconomic-status#:~:text=Socioeconomic%20status%20is%20the%20social,to%20privilege%2C%20power%20and%20control>

<sup>53</sup> <https://www.escr-net.org/news/2021/collective-position-data-economic-social-and-cultural-rights>

<sup>54</sup> <https://www.wider.unu.edu/data>

<sup>55</sup> Read more at: <https://www.wider.unu.edu/node/236949>



## Where do we find data?

- The World Income Inequality Database (WIID) collects and stores information on income inequality for developed, developing and transition countries. The database, its documentation and the WIID companion datasets are available online.<sup>54</sup>
- The Government Revenue Dataset (GRD) includes data on government revenue, tax, and its subcomponents for over 190 countries. It presents a complete picture of trends over time at the country, regional and cross-country levels. The GRD is updated annually, with the most recent version released in August 2021. The dataset, associated documentation and the GRD Explorer visualisation tool are all available online.
- SOUTHMOD is a project that aims to make tax-benefit microsimulation models available to developing countries. While microsimulation models are routinely used by researchers and policy makers in developed countries, few developing countries have access to such tools. Many of the developing countries are now building up their social protection systems and the financing of public spending will need to be increasingly based on domestic tax revenues.<sup>55</sup>

## Challenges of relevant gender disaggregated economic, revenue, and demographic data

Access to publicly available, commonly and consistently reported, relevant gender disaggregated economic, revenue, and demographic data remains a challenge all over the world. Such data is required for the tax and gender movement to be able to better-evidence the impacts of existing regressive tax systems. Equally, for governments to be able to undertake necessary reforms for the achievement of substantive gender equality and the fulfilment of women's rights it is imperative that this data is generated and is made publicly available in user-friendly formats that are comparable over time and among countries.

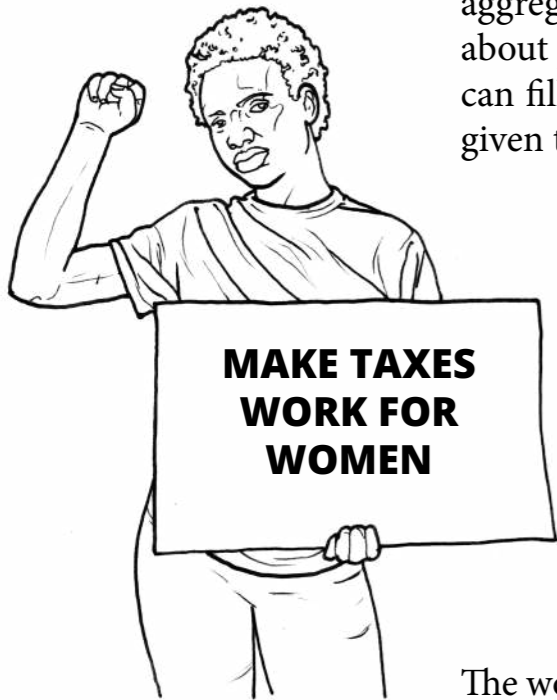
Achieving gender equality requires quality, policy-relevant data on women and girls. Without it, we cannot make informed decisions and we cannot track if those decisions are improving lives. The gaps in gender data are linked to multiple factors. Firstly, data producers often lack resources to produce high quality gender data. This can be a particularly acute problem in low-income countries where intersecting gender data gaps tend to be starkest. Secondly, data systems do not adequately capture the lived experiences of women and girls. This can be because data is not collected about critical aspects of girls' and women's lives, and other intersecting discriminations and because measurement biases in data collection methods lead to misrepresentation. Thirdly, mostly due to a lack of political will, gender data is not prioritised by decision makers. Gender data production will only increase if there is demand from users, including policy makers and civil society.

<sup>56</sup> <https://data2x.org/what-is-gender-data>

We therefore must also consider how we conceptualise and talk about intersecting discrimination – including gender, socio-economic status, age, caste, race, language, ethnicity, ability, LGBTQ+ and geographical location (urban/rural) – and ensure we avoid heteronormative language when using gender-disaggregated data. How do we use the available data and critically assess what is missing? Where the data that we find does not disaggregate for some of these factors, this represents a gap in data about people’s lived experience and we need to consider how we can fill these gaps in quantitative data. Gender data is the term given to data that:

- is collected and presented by sex as a primary and overall classification,
- reflects gender issues,
- is based on concepts and definitions that adequately reflect the diversity of women and men and capture all aspects of their lives and
- is developed through collection methods that consider stereotypes and social and cultural factors that may induce gender bias in the data.<sup>56</sup>

The working group on tax and gender continues to advocate and demand for the creation of publicly available, commonly reported, and relevant gender and contextual disaggregated revenue, tax, economic and demographic data.



## Gender analysis of tax frameworks

This publication draws attention to two frameworks to bring a gender equality and social inclusion analysis to taxation. The first is a brief overview of the methodology conceptualised by Caren Grown in the publication *Taxation and Gender Equity: A comparative analysis of direct and indirect taxes in developing and developed countries* edited by Caren Grown and Imraan Valodia (2010). The second consists of the gender analysis questions used in the Fair Tax Monitor *Scoring Methodology and Common Research Framework* (CRF) (2019). This is the gender-responsive research framework for the Fair Tax Monitor (FTM) being used in some countries.<sup>57</sup> Annex A provides a partial list of the kinds of gender-specific questions used in the FTM’s CRF.

### 3.2. Caren Grown’s Conceptual Framework<sup>58</sup>

Caren Grown’s Conceptual Framework is premised on realising the promise and principles of the Convention for the Elimination of All Forms of Discrimination Against Women (CEDAW) and on the characterisation of households based on defined gender attributes i.e., the gender division of labour and social and cultural norms. It focuses primarily on Global South countries and includes Argentina, India, Mexico, Ghana, Morocco, South Africa, Uganda and the UK. It has defined a set of principles for evaluating the gender equity aspects of tax policy, in the hope that this will influence tax policy design to enable the realisation of substantive rights for women.

<sup>57</sup> Additional information on the Fair Tax Campaigns can be obtained from: <https://makefair.net/ftm/>

<sup>58</sup> For the details of the conceptual framework, please see ‘Taxation and gender equality: A conceptual framework’ in C. Grown and I. Valodia (2010). *Taxation and Gender Equality*. IDRC and Routledge. ch.1.

<sup>59</sup> K. Barnett and C. Grown (2004). Gender Impacts of Government Revenue Collection: The case of taxation. London: Commonwealth Secretariat. [https://www.shareweb.ch/site/DDLGN/Documents/Gender%20Impacts%20of%20Government%20Revenue%20Collection\\_Barnett%20and%20Grown%20\(2004\).pdf](https://www.shareweb.ch/site/DDLGN/Documents/Gender%20Impacts%20of%20Government%20Revenue%20Collection_Barnett%20and%20Grown%20(2004).pdf)

<sup>60</sup> This section is an extract from: Christian Aid (2014). Taxing Men and Women: Why gender is crucial for a fair tax system. pp.18–19.

Grown clarifies that the analytic framework not only refers to examining the inequalities between women and men that result from social power relations in households, markets and organisations but also takes into consideration relations of power as shaped by class, race, ethnicity, caste and locations (urban or rural) across societies (p.4).

In Grown's work with Kathleen Barnett,<sup>59</sup> they clarify that the impact of taxation on women and men should consider the following four areas:

- a) Gender differences in paid employment – including formal/informal employment, wages and occupational segregation;
- b) Women's work in the unpaid care economy;
- c) Gender differences in consumption expenditure; and
- d) Gender differences in property rights and asset ownership. (p.4)

### **a) Paid employment, including formal and informal, pay and occupational segregation<sup>60</sup>**

Women participate less in paid employment, tend to have more discontinuous work patterns, enter and exit the labour market at different stages of their life, or work part time. However, overall, women dedicate more time to work, paid and unpaid, than men do. Women tend to earn less than men, even though in some countries the wage differential has been narrowing. Women are also more likely to be employed in informal jobs, inside and outside the house, in small workshops, in family businesses or as domestic help. Women's employment profile, characterised by

discontinuity, lower earnings and predominance in low-paying, informal jobs, means that they are not likely to bear a large PIT burden. Conversely, 'their inferior employment status may also prevent them from accessing certain benefits afforded through the tax system to employee.'<sup>61</sup>

### **b) Unpaid care work**

Taxes are based on income; however, there are different income types that might not derive from paid employment, such as household production. Most countries do not include non-market production in income subject to tax. All over the world, the people doing most of the unpaid work are women (women do over 76% of all unpaid care and domestic work around the world). This includes housework, cooking, caring for children, the sick and the elderly, and assisting other families and the community at large. Other forms of unpaid work include subsistence agriculture, producing clothes and other goods for home use, and unpaid work in a family business. Although not paid, this work enables society and the market to function.

### **c) Gender differences in consumption**

Not only do women and men spend their time in different ways, but there are also different ways in which they spend money and make decisions on how to allocate assets and savings. These decisions depend on the bargaining power of different members of the household, different roles and daily patterns due to gendered social norms and are crucial to understand the impact of VAT, excise taxes and other indirect taxes such as fuel tax.

<sup>61</sup> C. Grown and I. Valodia (2010). Taxation and Gender Equality. IDRC and Routledge. p.13.

<sup>62</sup> [https://asiapacific.unwomen.org/sites/default/files/Field%20Office%20ESEAAsia/Docs/Publications/2011/Progress\\_Fact-sheet\\_Asia\\_Pacific.pdf](https://asiapacific.unwomen.org/sites/default/files/Field%20Office%20ESEAAsia/Docs/Publications/2011/Progress_Fact-sheet_Asia_Pacific.pdf)

Studies across different cultures have found that women tend to spend more of the money under their control on goods such as food, medicines, children's clothes, and school supplies – items that enhance the education, well-being and capabilities of children. In Grown and Valodia's book, such gendered differences in consumption emerged in all countries involved in the study, confirming that it is important to assess the effect of commodities prices on women's and men's expenditure patterns and household welfare in general.

#### **d) Gender differences in property rights and asset ownership**

In many countries, women are denied property rights over land and other assets, although they provide unpaid labour to them. The gender aspect of owning property vis a vis tax needs more systematic research. For example, Nepal introduced a tax exemption to incentivise transfer of property assets to women. As a result, women's land ownership increased threefold between 2001 and 2009.<sup>62</sup> However, questions of power imbalances in the real control of assets remains and it cannot be expected that favourable tax laws and incentives alone change gender relations.

In their analysis, Grown and Valodia concentrate on the equity dimension of gender relations as regards taxation. As they point out, there are gender considerations in all aspects of a fiscal system, including efficiency and ease of administration. The analysis also needs to address implicit and explicit gender biases in tax policy. Joint filing is an example whereby the fact that wom-

en's income is taxed at a higher marginal rate affects decisions around women's participation in the labour market. Likewise, there can be an implicit bias in rules for indirect tax that do not provide for gendered differences in expenditure patterns.

Diane Elson argues that a gender analysis of taxation must go beyond the principle of sameness to recognise that discrimination and bias take different forms, and that, to achieve substantive equality, different groups in society may require different treatments. Different treatment is, therefore, not necessarily biased treatment.<sup>63</sup>

As Grown and Valodia conclude, this is quite a different perspective from that of traditional welfare economics, which takes individual utility as the basis to assess whether a policy improves social welfare and negatively considers those policies that result in an improvement in the welfare of one group at the expense of others.

For details of the methodology used for the gender analysis of tax in the eight countries in this study see <https://www.idrc.ca/en/book/taxation-and-gender-equity-comparative-analysis-direct-and-indirect-taxes-developing-and>

<sup>63</sup> D. Elson (2006). *Budgeting for Women's Rights: Monitoring government budgets for compliance with CEDAW*. New York: UNIFEM.

### 3.3. The Fair Tax Monitor Framework

The FTM project was initiated in December 2014 and was developed by Oxfam Novib in collaboration with Tax Justice Network Africa (TJNA) and other partner organisations with a focus on fiscal policies and practices related to equitable and fair taxation. The FTM is a unique evidence-based research and advocacy tool that identifies the main bottlenecks within tax systems and provides strong evidence for advocacy work at the national and international level.

The tool uses a standardised methodology based on a jointly developed CRF. The FTM is and has been conducted in more than 15 countries. Please check the FTM website to see if it has been conducted in your country. This would provide a good analytical database to begin or expand your work on gender equality and tax justice.

In 2020–2021 the CRF was enhanced and complemented with an annex specifically on the issue of tax and gender to enable future FTM reports with a specific focus on tax and gender. In 2021–2022, two gender-focused FTM reports were piloted, in Uganda and Zambia respectively, to test the gender-focused CRF and evaluate and improve this dimension. See the Annex for an edited version of the gender questions used in the CRF.

For Uganda, general FTM reports were conducted in 2016 and 2018, and a gender focused FTM report published in 2022. Read

more about the FTM on the website <https://maketaxfair.net/ftm/> and access the CRF all-country FTM reports.

The FTM team in Uganda consists of the Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI), Tax Justice Network Africa (TJNA), Oxfam, Make Tax Matter and Sweden/SIDA. They first attempted an initial gender analysis in their 2018 report. Below is a slightly edited version of their gender analysis of tax policy in Uganda from 2021 to 2022.

#### Data and research method

Research for the FTM relied mainly on a literature review of relevant documents, analysis of secondary data guided by the CRF methodology, and interviews with experts in civil society and tax authorities. This involved collecting and reviewing relevant documents, databases and publications from government agencies (such as the Uganda Revenue Authority (URA)), the Ministry of Finance, Planning and Economic Development (MoFPED), Local Government Finance Commission (LGFC), Ministries, Departments and Agencies (MDAs), international financial institutions (such as the World Bank and IMF), CSOs (such as Oxfam, TJNA, SEATINI, the Civil Society Budget Advocacy Group (CSBAG), Uganda Debt Network (UDN), International Budget Partnership (IBP), academic and research institutions (locally and internationally).

In addition, the Ugandan FTM reports have been peer reviewed by the FTM team and selected experts – Jason Braganza, Ivan Nikolic, Miranda Evans, Ilse Balstra, Henrique Alencar, Ger-

ald Namoma, Ishmael Zulu and Martin Brehm Christensen – to verify the correctness and accuracy of information provided. Furthermore, validation workshops were conducted in Kampala with representatives of civil society, academia and the government and independent consultants.

**The gendered Fair Tax Monitor report from Uganda 2022 includes the following main findings**

*The impact of COVID-19 on taxation and public spending and the government's response*

The impact of the Covid-19 pandemic led to a reduction in government revenues and grants of about UGX 2,291bn (US\$626m) against a target of UGX 23,529.6bn (US\$6.4bn) during FY 2020/21. The government instituted austerity measures which included cuts in spending on social sectors (education, health and social development), agriculture and water and sanitation. Consequently, those sectors' spending was lower than expected, at 90%, 94%, 83%, 60%, and 81% for agriculture, education, health, water and environment, and social development, respectively. These budget cuts affected women more, as women account for a bigger share of use of most public services such as health facilities.

The government has generally ignored calls from international organizations such as the IMF and UN for countries to adopt progressive tax measures to fund social support programmes for

low-income households to cushion the effect of the Covid-19 pandemic. Instead, in FY 2021/22 the government instituted numerous tax measures to collect more taxes without evaluating their impact on people, especially low-income earners (the majority of whom are women). For example, an additional UGX 100 per litre of gasoline and diesel excise duty levy increased the cost of transport; and a 12% excise duty levy on internet data and 12% VAT on telecommunication services increased the cost of communication.

*Tax Burden and Progressivity*

Uganda's dependence on indirect taxes makes the tax system regressive. Indirect taxes disproportionately affect low-income earners, especially women, because they spend a higher proportion of their income on consumer goods for their families. Changes in the price of goods can reduce consumption or substitution of better-quality goods by inferior ones. On a positive note, the share of indirect taxes in total tax revenue has been declining, from 66.4% in 2016/17 to 64.4.2% in 2020/21, which is a sign that Uganda's taxation is becoming less regressive. This is a step in the right direction; however more needs to be done to ensure progressivity by strengthening policy around direct taxes like property tax, capital gains, corporate tax and taxation of business income.

There are significant gender inequalities related to personal income taxes in Uganda, but these do not specifically have a negative impact on women, since very few women pay Pay As You Earn (PAYE). Results of the Uganda National Household Survey 2019/20 showed that of the 31.8% of women in paid employ-

ment, most of their income is not liable for personal income, since the monthly nominal median wages for women were UGX 100,000 (US\$27.3) in 2019/20, yet the Pay As You Earn (PAYE) threshold is UGX 235,000 (US\$62.9).

Uganda's excise duty regime has a degree of progressivity, as households in the top deciles pay more excise duty as a percentage of their consumption than households in the bottom deciles. However, in some cases, excise duties are regressive because they are usually flat-rated (i.e. 0.5% levy on mobile money withdrawals). These tend to affect low-income earners more – especially women, who spend a higher portion of their income on consumption of these items.

#### *Effectiveness of the Tax Administration*

The Ministry of Finance Planning and Economic Development (MoFPED) gives the URA annual targets, which form part of the wider midterm strategies of three to five years. The URA year-on-year total nominal tax revenue collections were below target for all the FYs apart from FY 2017/18. This is mainly because tax effort or productivity is relatively low.

The URA does not allocate resources to collect and update (sex)-disaggregated data. Tax returns do not enquire as to the gender of the person filing the return. Taxes such as income taxes are imposed on the basis of income only, irrespective of gender. This makes it hard to ascertain the gender statistics needed to facilitate a gender analysis.





# Chapter 4

## Tax Justice in Uganda Case Study

*There is no such thing as a woman who doesn't work. There is only a woman who isn't paid for her work.*

Caroline Criado-Perez,  
Feminist author, journalist and activist:  
Data bias in a world designed for men

Uganda has a long and rich history of feminist economists, women's and feminist groups, civil society organisations and research centres involved in research and mobilisation for tax justice. They have focused on revenue generation as well as equality enabling measures on the expenditure side, with their decades-long organising for gender-responsive budgeting. Issues of women's rights, gender equality, equality for marginalised communities such as people with disabilities, women in rural areas and the informal economy, LGBTIQ+ communities and the empowerment of women and girls in decision-making have long been on the human rights agenda in Uganda.

### 4.1. GATJ annual Global Days of Action on Tax Justice for Women's Rights

Following the launch in March 2017 of the annual Global Days of Action on Tax Justice for Women's Rights under the banner 'Making Tax Work for Women', feminists in many countries

around the world, such as Uganda, Kenya and the Philippines, have engaged in annual educational and lobbying campaigns for gender equality and tax justice. They demand tax reforms to reduce women's poverty and highlight the need to increase revenue generation by taxing rich elites and MNCs and stopping IFFs from draining money from national budgets. Ugandan feminists and CSOs are active members of this annual international mobilisation.

This is an edited list of recommendations for tax policy reform from FOWODE, Uganda to tackle gender inequality through tax justice.<sup>64</sup>

#### 1. Reduce tax avoidance and illicit financial flows

According to FOWODE, if multinational corporations do not pay their fair share of taxes, it hurts women the most. This is because poverty is sexist and so is the distribution of extreme wealth. Globally, 9 out of 10 US-dollar billionaires are men. Transferring and redistributing wealth through taxation has the potential to tackle systemic domination based on gender, race, age, sexual orientation, disability and socio-economic status. MNCs and wealthy individuals reduce their tax burden through illicit financial flows, tax evasion and tax avoidance such as tax breaks for multinational corporations. One of them is called tax holidays. This means that when a company sets up in a country such as Uganda, the government gives them a holiday from paying taxes for a period of between 6 months, 10 years or indefinitely depending on nature of investments. Theoretically, this is supposed to benefit local economies, but this results in loss of tax revenue. And insufficient government revenue leads to cut-

<sup>64</sup> Uganda: 5 Ways to Tackle Gender Inequality Through Tax Justice (2020). <https://www.globaltaxjustice.org/en/latest/uganda-5-ways-tackle-gender-inequality-through-tax-justice>



backs in public services that women really need to enable the well-being of their families and communities.

## 2. Simplify the tax system to encourage formalisation

FOWODE believes that many people struggle to understand the country's tax system and a simplification could improve the tax collection. According to them, about 50% of Uganda's economy is still informal. This not only impacts negatively on tax collection, but also impedes innovation and business growth. Citizens can only be engaged in what they have awareness of. It is essential that both civil society organisations and the government put in place sensitization campaigns for citizens on taxation and their economic rights.

## 3. Increase women representation in decision-making

Tax policies at all levels need to take into consideration gender equality. Women are the majority among those living in poverty and should have more representation in decision-making to ensure a gender-inclusive perspective in the tax systems. Women have fewer resources, less power and less influence compared to men, and can experience further inequality because of their socio-economic class. Women's groups and civil society partners need to advocate to get people's voices to key decision makers.

## 4. Adopt a progressive tax system

Countries like Uganda raise more revenues from consumption taxes (VAT, excise duty), but it disproportionately affects women due to their care/family roles, i.e. their work in the care economy. Since it is women who are primarily responsible for unpaid

care and domestic work<sup>65</sup> and they are less likely to have full-time and formal jobs than men. Therefore, consumption taxes are heavier for women. Thus, governments should ensure that those with higher incomes and higher profits, who are usually men, pay more taxes than women with no or low incomes.

Source: <https://www.globaltaxjustice.org/en/latest/uganda-5-ways-tackle-gender-in-equality-through-tax-justice>

For the March 2020 Global Days of Action on Making Taxes Work for Women, Akina Mama wa Africa (AMWA) in partnership with the Youth for Tax Justice Network, The Open Forum Initiative, Action Aid Uganda and Tax Justice Network Africa convened the Youth Policy Village (YPV) at Makerere University. The YPV aimed to mobilise young women and men to participate in conversations shaping tax policy and laws and resource mobilisation efforts while centring on women's rights and gender equality.

At the workshop, participating organisations underlined that revenue mobilisation is the major function of taxation. Governments, through taxation, collect revenue that funds the provision of public services, social protection and the realisation of economic, social and cultural rights. Due to the unequal distribution of unpaid care work, reproductive health needs, and sexual and gender-based violence, women rely more heavily than men on these services. When governments do not raise enough revenue because of tax leakages and harmful tax incentives, treaties and IFFs, there are barely any resources allocated towards the provision of these services and it is women who endure the

<sup>65</sup> Oxfam (2020) <https://www.oxfam.org/en/research/time-care>

<sup>66</sup> <https://www.akinama-mawaafrika.org/making-tax-a-womens-issue/>

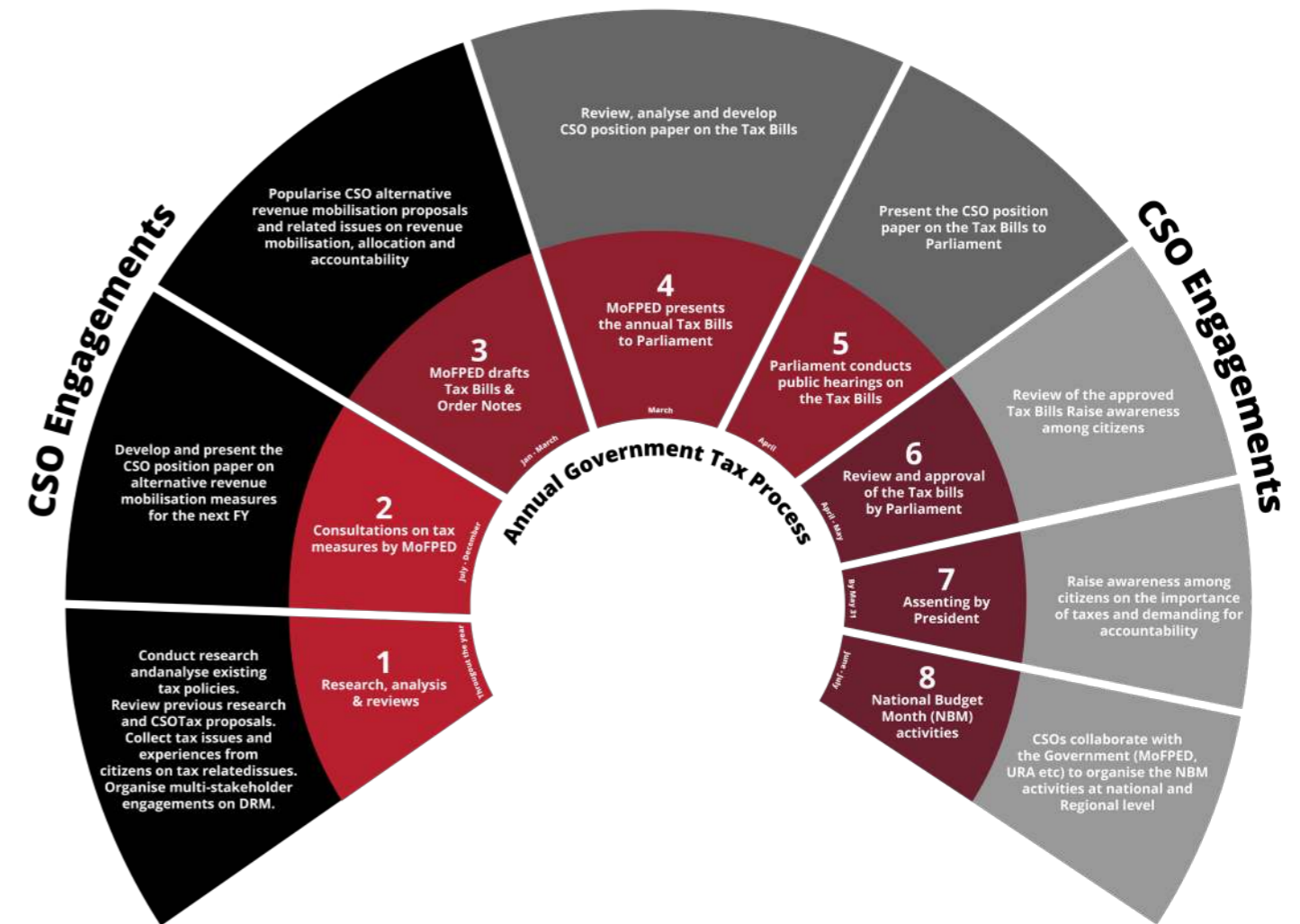
results of this. The national budget framework, as it stands, indicates a cut in almost all the sectors that provide for social services and protection. Ugandan civil society at the workshop called for all citizens to advocate for tax justice for women’s rights by getting involved in budgetary processes and consultations on tax policies and for young women and men to actively take up leadership in these campaigns to hold governments to account.<sup>66</sup>

## 4.2. Advocacy Roadmap from the Tax Justice Alliance Uganda

The annual government tax amendment process in Uganda has evolved over the years into a systematic process in which civil society is able to influence tax policy outcomes. The level of engagement and the rate of uptake of the proposals made largely depend on the depth of the analysis undertaken, data provided and the political will of the government to adopt their proposals. Figure 1 below is a graphic representation of this process.

### Civil society tax advocacy roadmap

Regional engagements Collaborate with like-minded organisations at regional and international level



Source: Adapted from Tax Justice Alliance Uganda (2018) Civil society tax advocacy roadmap

The Tax Justice Alliance Uganda developed the Civil Society Tax Advocacy Roadmap in 2018, detailing, in a step-by-step process, the annual government tax amendment process. Following this process, CSOs, feminist groups, women rights activists and women working in the informal sectors can effectively engage in and set the agenda to shape tax policy. The steps in the Civil Society Tax Advocacy Roadmap include the following:

- Research, analysis and reviews to develop evidence to back key policy proposals advanced during advocacy. This process will also involve the development of key advocacy demands into statements, positions papers and pressers, among others, for dissemination within the public. Throughout the year, these research reports can be shared with the Ministry of Finance, Planning and Economic Development to inform tax policy formulation.
- Engage and equip technical officials within the Ministry of Finance, Planning and Economic Development, specifically Tax Policy Development, the Directorate of Economic Affairs of the Office of the President, and Uganda Revenue Authority with evidence and tools on feminist tax justice approaches.
- Participate in, mobilise and facilitate convenings for key stakeholders to voice their contributions during consultations on tax measures by the Ministry of Finance. This process involves the development of feminist and gender transformative positions on alternative revenue mobilisation measures that are progressive and supportive of gender equity and women's economic justice.
- Provide technical assistance and backup for the Ministry of Finance in the drafting of Tax Bills and order notes. By using vari-

ous gender analytical tools, CSOs, women's rights organisations and feminist groups can support government to apply these tools in this process. Both the Fair Tax Monitor and the Volume 1 of the Framing Feminist Taxation Framework provide unique evidence-based research and analytical tools that can be applied to make tax policy work for women.

- Map out and mobilise within Parliament and equip Members of Parliament with information that they can use to advance feminist tax justice approaches/proposals during the plenary discussion in response to the presentation of the Tax Bills made by the Ministry of Finance to Parliament.
- CSOs, feminist groups, women rights activists, and women working in the informal sectors in both rural and urban areas secure an audience with the Parliamentary committee on Finance, to present their demands and recommendations on the Tax Bills for progressive, fair and feminist tax laws and policies, during the public hearings conducted by Parliament.
- Map out and engage key allies within Parliament and equip them with feminist tax justice information and tools that they can use to review and audit the draft Tax Bills presented to parliament for review and approval.
- Popularising feminist positions on tax amendments across various media channels, mobilising CSOs, women's rights organisations and feminist groups to influence the Parliament and the President into passing and assenting to gender-responsive tax policies.



<sup>67</sup> S. Ssewanyana et al. (2010). 'Gender equality and taxation in Uganda'. In: C. Grown and I. Valodia (eds) *Taxation and Gender Equity: A comparative analysis of direct and indirect taxes in developing and developed countries*. IDRC and Routledge. pp.233–260.

## 4.3. Application

The many campaigns for gender and tax justice in Uganda and in other countries underline the importance of a concerted campaign of even more women's, civil society and human rights organisations to work together for tax and gender justice. In this spirit, the following two examples of a systemic gender analysis of tax policies are being presented for discussion and refinement for possible use, as relevant to different countries.

### 4.3.1. Grown and Valodia's book *Taxation and Gender Equity* includes a chapter on Uganda

First, Grown and Valodia's book *Taxation and Gender Equity* includes a chapter on Uganda by Sarah Ssewanyana, Lawrence Bategeka, Madina Guloba and Julius Kiiza.<sup>67</sup> This provides a unique and valuable gender equality analysis of the Ugandan tax policy environment at a particular moment in history. After more than two years of research and analysis, the country profile was published in 2010. The authors clarify that their analysis relied heavily on the Uganda National Household Survey of 2005–2006 and administrative data from the Uganda Revenue Authority (URA). The paragraphs below highlight the key gender inequality issues in tax, based on this gender analysis of tax conducted 12 years ago.

Second, that chapter provides a rich source of data against which to assess what changes have been made to advance women's rights and gender equality for tax justice in Uganda since then, and

how many of these systemic issues still need to be addressed. **The red comments are from Ugandan feminist economists and tax specialists on the gender and tax situation today (2022).**

<sup>68</sup> Ibid. p.240.

### Implicit and explicit gender biases in Uganda's tax policy

#### *Gender biases in direct taxes*

'Equal treatment in the tax code does not translate into substantive gender equality and Uganda's system of personal tax contains implicit gender biases. For example, in 2010 there were no adjustments of tax thresholds and brackets to compensate for inflation, which as discussed below results in an implicit gender bias against women. In addition, there is horizontal inequity in the system: households with the same level of earnings but a different taxpayer composition have different personal income tax burdens; households with the same level of income and composition of taxpayers pay the same amount of income tax regardless of whether they contain children and other dependants.'<sup>68</sup>

Income tax policies have not really addressed gender concerns. Women are treated the same way as men, with no deductions or allowances to compensate for their greater vulnerability to poverty. A few amendments to the Income Tax Act 1997 have some gender relevance, though only incidentally. One provision of the Income Tax (Amendment) Act 2003 exempts earners engaged in agriculture, plantation or horticultural farming from paying tax.

<sup>69</sup> Ibid. p.240.

<sup>70</sup> Ibid. p.240.

<sup>71</sup> <https://www.womankind.org.uk/gender-inequality-and-the-rush-for-land-a-perfect-storm-for-womens-rights-in-uganda/>

<sup>72</sup> C. Grown, and I. Valodia (2010). Taxation and Gender Equality. IDRC and Routledge, pp.240–241.

**Although most women are employed in the agricultural sector, this exemption does not necessarily benefit them. Most of those engaging in plantation or horticultural agriculture and are able to benefit from this exemption are big companies; most of them are MNCs and have often been called out for the abuse of labour rights especially of women workers, who have been subjected to low wages, land grabbing, etc.**

Similarly, the Income Tax (Amendment) Act 2008 provides incentives to earners engaged in agro processing. Again, the gender relevance of the amendment is only to the extent that agro processing is key to agriculture, where, as noted, most women work for a living.<sup>69</sup>

Tax exemptions tend to benefit men more than women, primarily because of occupational segregation in the labour market. For instance, the value of any property acquired by gift, bequest or inheritance that is not included in business, employment or property income is exempt from personal income tax. This exemption favours men relatively more than women because in Uganda most communities are patrilineal, and inheritances mainly benefit men.<sup>70</sup> It is estimated that only between 7% and 20% of women own land.<sup>71</sup>

Pension income is also exempt from tax. This provision benefits men relatively more than women, fewer of whom are in employment with pensions. A lump sum payment that is made by a resident retirement fund to a member of the fund or a dependent of a member of a fund is exempt from income tax. The exemption again benefits men relatively more than women because of the

relatively larger proportion of men in pensionable employment.<sup>72</sup>

The official employment income of people employed in the armed forces, the police or prison services is exempt from income tax. Until very recently, the forces employed only men. Even now, the proportion of women in the Uganda People's Defence Force is below 5 per cent, and women make up only 25 percent of Uganda's police force.<sup>73</sup>

Another source of implicit bias comes from fiscal drag, whereby tax thresholds are not adjusted for inflation. Although inflation has been low since the 1997 Income Tax Act was enacted, it has steadily eroded the value of Ugandan wages; income tax brackets have not been adjusted upwards. This demonstrates that even though the UGX 130,000 minimum income exempt from PAYE in 1997 was equivalent to UGX 197,271 a decade later, the government has kept the same tax thresholds. This means that wage earners whose monthly incomes were in the range of UGX 130,000–197,271 and who were previously exempted from income tax now have to pay. The group includes a higher proportion of women than men, suggesting that inflation has burdened them disproportionately. In 2007, compensation for this implicit gender bias generated by inflation would have required a 52% upward adjustment of income tax brackets. Making such an adjustment would eliminate this source of implicit gender bias in the tax system.<sup>74</sup>

**In Uganda, individuals are subject to the rates in the Third Schedule to the Income Tax (Amendment) Act, which were last amended in FY 2012/13 when the exchange rate was US\$1**

<sup>73</sup> Ibid. p.241.

<sup>74</sup> Ibid. p.241.

<sup>75</sup> Tax Justice Alliance Uganda (2021). Alternative CSO Tax Proposals for FY 2021/22: [file:///E:/BACKUPS/DOWNLOADS/cso-tjau-tax-proposals-fy-2021-22-3%20\(2\).pdf](file:///E:/BACKUPS/DOWNLOADS/cso-tjau-tax-proposals-fy-2021-22-3%20(2).pdf)

<sup>76</sup> Ibid. pp.241–242.

<sup>77</sup> Ibid. p.242.

**to 2,500 shillings. By the end of 2021, the exchange rate had increased by 43% to an average of 3,585 shillings for US\$1. Uganda's average household monthly expenditure rose from UGX 328,200 in FY 2012/13 to UGX 339,263 in 2019/20, representing a real increase of 3.4% within a three-year period. This shows that the cost of living has increased, yet earnings have reduced. The individual income tax threshold in 2012/13 was equivalent to US\$94. Today, the same threshold is equivalent to US\$65, implying a net reduction of US\$30 in earnings, which could explain the increasing poverty levels. Due to the current economic hardships, which have previously been characterised by high rates of inflation (5.6% p.a.), high cost of credit (27% p.a.), and low incomes (27% poverty level) among the people, there is reduced saving and consumption because of low disposable income.**<sup>75</sup>

A lot of data is presented on single earner vs dual earner households, concluding that although the two households have the same total earnings per annum, the tax burden on the single earner household (5.4%) is almost seven times greater than the tax burden on the dual earner household (0.8%). Note the burden will be the same for households with the same earning structure and no children.<sup>76</sup>

After another elaborate discussion with data about single earner and dual earner households the authors conclude that households with children bear a higher burden of income tax, as the tax system does not offer child rebates or allowances to households with children, who are predominantly cared for by women. Thus, while Uganda's PIT system is vertically equitable, it makes

no provision for horizontal equity.<sup>77</sup>

Households with children bear a larger burden of taxes than do households without children, as the personal tax system contains no provision for dependents. This calls for the government to put in place tax measures that could reduce gender inequality in terms of disposable income.<sup>78</sup>

#### *Gender and indirect tax incidence*

The incidence of indirect tax is significantly greater for households headed by men than for households headed by women (see Figure 9.3 and Table 9.7 in the chapter). As noted above, VAT imposes a greater burden on households than excise duties or the fuel levy. Total indirect taxes are moderately progressive: the share of total indirect tax in total expenditure increases with expenditure quintile (see Figures 9.4(a) and 9.5(a) in the chapter). Within each quintile, households headed by women have a significantly lower incidence of total indirect tax than men. The only exception is in households with majority women, where significant gender differences appear in the 4th and 5th quintiles.<sup>79</sup>

Overall, the findings indicate that analysing gender differentials in the taxation system by considering the adult gender composition of households might not suggest significant policy recommendations. For this reason, the subsequent analysis examines the incidence of indirect taxes on households classified by the gender of the head and by the employment status of adult members, controlling for the presence of children.<sup>80</sup>

<sup>78</sup> Ibid.

<sup>79</sup> Ibid. p.243.

<sup>80</sup> Ibid. p.245.

<sup>81</sup> Ibid.

<sup>82</sup> Ibid. p.250.

<sup>83</sup> [https://www.ubos.org/wp-content/uploads/publications/11\\_2020STATISTICAL\\_ABSTRACT\\_2020.pdf](https://www.ubos.org/wp-content/uploads/publications/11_2020STATISTICAL_ABSTRACT_2020.pdf)

<sup>84</sup> [https://www.ubos.org/wp-content/uploads/publications/09\\_2021Uganda-National-Survey-Report-2019-2020.pdf](https://www.ubos.org/wp-content/uploads/publications/09_2021Uganda-National-Survey-Report-2019-2020.pdf)

### *Gender differences in consumption*

Households with more women have a higher incidence of indirect tax on food, children's clothing and footwear, and fuel than households with more men.<sup>81</sup>

Broadly speaking, households with children have a greater incidence of indirect tax than do their counterparts without children. The only exceptionally high consumption categories in these households are adult clothing and footwear, water and electricity, paraffin, communication and miscellaneous goods and services. Gender differences vary across consumption category for household types with similar income levels. The patterns and level of significance remain the same after controlling for presence of children.<sup>82</sup>

There is a large discussion around the tax on salt and cutting the paraffin tax by 50%; the government wants to keep these taxes as they generate a lot of revenue, but they are not affordable for most people.

**According to the 2020 statistical abstract for Uganda, households headed by women were more likely to borrow salt from their neighbours than households headed by men, which can afford to buy salt when it is finished. Moreover, purchasing salt when finished is more prevalent in urban households compared to their rural counterparts as shown in Table 2.4.8 page 45.<sup>83</sup>**

**In terms of unpaid care work (UCW), time spent on UCW is disproportionately high among women compared to men.**

**According to the Uganda National Household Survey (UNHS) 2019/20<sup>84</sup>, women spent 24 hours a week on UCW. This is 10 hours more than men who spend 14 hours on UCW. With utilities, i.e. piped water and electricity, attracting high VAT rates, women are forced to walk long distances to fetch water from wells, and further are unable to make use of household appliances that would lessen the amount of time spent on UCW, and hence they can spend less time on paid work.**

The authors recommend that the government create cost-saving measures such as a reduction in public administration expenditures.<sup>85</sup>

### *Final conclusions and policy recommendations*

In terms of advancing gender equality, the book's policy simulations show that reductions in taxes on goods and services reduce the tax burden on households headed by women significantly more than on households headed by men. The book demonstrates, for example, that the recent decision to eliminate taxes on salt is gender-responsive, and that halving the current excise duties on paraffin would benefit households headed by women to a greater extent than it would households headed by men, especially in the lower income quintiles.<sup>86</sup>

**Another policy recommendation is for governments to provide subsidies for domestic access to and use of piped water and electricity to lower the cost and so increase access to these essential services.**

<sup>85</sup> C. Grown and I. Valodia (2010). Taxation and Gender Equality. IDRC and Routledge. pp.257–258.

<sup>86</sup> Ibid. p.259.

<sup>87</sup> Ibid.

Regarding direct taxation, the share of PAYE in total government tax revenue has been increasing steadily since 1997 and is likely to increase modestly in the future.

**From 2016–2021 indirect taxes have fluctuated at around 65% of total tax revenue and direct taxes correspondingly at around 35%.**

While this relative success at mobilising domestic resources should continue, PAYE comes from the formal sector, which makes up only 16 per cent of total employment. This suggests that the best way of raising tax revenue is through creating new job opportunities. The job creation strategy should consider the gender disparities discussed above to ensure equitable access to decent jobs for both men and women.

Unlike indirect taxation, however, Uganda's personal income tax system has implicit gender biases stemming from vertical and horizontal inequities at the household level. As the share of PAYE taxes in total tax revenue increases, it is important for policymakers to address these inequalities. One way in which to do this is by extending tax exemptions that promote gender equality. For example, extending tax deductions for the presence of children in the household would primarily benefit women, since women provide most of the support for young dependents. Women in the lower tax brackets could also be given deductions based on the equity principle that women make less money than men and should pay fewer taxes. In addition, policymakers should consider indexing income tax brackets to inflation to address the implicit gender biases noted earlier.<sup>87</sup>

The above examples from Uganda point to incredible mobilisation in this country for tax justice for gender equality and poverty reduction. Campaigns for gender and tax justice are also taking place in Brazil, Burundi, Cambodia, Colombia, India, Kenya, Mali, Nigeria, Nepal, Pakistan, Senegal, South Africa, Tanzania, Tunisia, Uganda, Vietnam and Zambia.

In recent years, analysis, advocacy and mobilisation on gender and tax justice by women's groups, CSOs, NGOs, research and academic institutions and other partners has expanded the discourse on fiscal and monetary policy and for gender and tax justice.



## Glossary

The Global Alliance for Tax Justice's Tax and Gender Working Group initially created this **glossary on tax and gender** for the publication *Framing Feminist Taxation: With examples from Uganda* (2021). It has been updated and edited for this publication.

### **Automatic tax information exchange**

A system of tax information exchange whereby jurisdictions' tax authorities automatically share information on a taxpayer's assets with the home jurisdiction of that taxpayer. Civil society organisations want to see a multilateral agreement for tax havens to share information automatically with all other jurisdictions.

### **Beneficial ownership**

The real person or group of people that control(s) and benefit(s) from a corporation, trust or account. All beneficial ownership information of companies and trusts should be made public in an accessible register.

### **Bilateral aid**

Assistance given by a government directly to the government of another country, normally from a developed country to a developing one.

### **Bilateral investment treaty (BIT)**

An agreement establishing the terms and conditions for private investment by nationals and companies of one country in another one. This type of investment is called foreign direct investment (FDI).

### **Beijing Declaration and Platform for Action (BPfA)**

Adopted by governments at the 1995 Fourth World Conference on Women, this document sets forth governments' commitments to enhance women's rights.

### **Budget**

A comprehensive statement of government financial plans including expenditures, revenues, deficit or surplus, and debt. The budget is a government's main economic policy document, indicating how that government plans to use public resources to meet policy goals. As a statement of fiscal policy, the budget shows the nature and extent of the government's impact on the economy. The budget is prepared by the executive and then generally is submitted to the legislature to be reviewed, amended and adopted as law. The budget preparation process begins many months before the start of the fiscal year covered by the budget, so that it can be enacted into law before the fiscal year begins.

### **Budget analysis**

Budget analysis focuses on critically evaluating the budgetary allocations made in the beginning of the fiscal year and tracking expenditure undertaken on the basis of these allocations to determine the extent to which the policy translates into outcomes.

### **Capital gains tax**

A tax on the profits from the sale of capital assets such as stocks and shares, land and buildings, businesses, and valuable assets such as works of art.

### **Cess tax**

A cess is a form of tax, levied by the government as a percentage of tax paid. A cess is collected for a specific purpose until the time the government gets

enough money for that purpose.

### **Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)**

The 'women's bill of rights' is a cornerstone of all UN Women programmes. More than 185 countries are parties to the Convention.

### **Consumption taxes**

Most countries apply consumption taxes such as VAT, general sales taxes and excise taxes. They are indirect taxes, levied equally upon taxpayers, which makes them disproportionately affect the poorest. Since women are usually poorer, they are the ones who proportionately pay more of their income on consumption taxes.

### **Corporate Income Tax**

Taxes on the profits made by limited liability companies and other similar entities. The tax is generally imposed on net taxable income, specified in the company's financial statement. Also referred to as corporate taxes.

### **Debt**

The accumulated amount of money that the government owes. It can be internal or external (i.e. debt owed to creditors outside of a country, including debt owed to private commercial banks, other governments, or international financial institutions such as the World Bank and International Monetary Fund).

### **Developed country**

This is a term used to refer to relatively wealthy and technologically advanced countries in which most people have high life expectancies, access to education, and a GNI per capita of more than US\$11,115 in 2008.

### **Developing country**

This is a term used to refer to low- and middle-income countries in which most people have a lower standard of living with access to fewer goods and services than do most people in high-income countries. The 172 countries in this group include states that are variously labelled as developing countries, underdeveloped countries, low-income countries, Majority World, the South, Global South or the Third

World. These nations generally have low levels of technology, basic living standards and little in the way of an industrial base. Their economies are mainly agricultural and are characterised by cheap, unskilled labour and a scarcity of investment capital.

### **Development**

This long-term process begins with meeting the most basic human needs of people – food, clean water, good health, shelter. It includes the chance to get an education and earn a living in a society where human rights are respected and where women, as well as men, can participate fully in the life of their communities. At the same time, it also involves building an infrastructure that provides essential services for all and an economy that encourages innovation and

respect for the environment.

### **Direct taxes**

Taxes that are charged directly upon the income (salary, profits, dividends, rents etc.), property and wealth of physical or legal persons. They are a progressive form of taxation, where those who have more contribute proportionately more.

### **Double tax agreement (DTA)**

Treaty between two countries to restrict source and residence taxation rights with the aim of alleviating double taxation and allocating taxing rights between the parties. However, DTAs often shift the balance of taxing rights away from countries in the Global South.

### **Effective tax rate**

The effective tax rate is the percentage of income that an individual or a corporation pays in taxes. The effective tax rate for individuals is the average rate at which their earned income, such as wages, and unearned income, such as stock dividends, are taxed.

### **Equitable taxation**

Equitable taxation refers to tax policies that reduce income, wealth or other social inequalities. Horizontal equity refers to persons and businesses in similar circumstances in terms of their welfare being treated in a similar manner, while vertical equity refers to the idea that people with a greater ability to pay taxes should pay more.

### **Excise taxes**

These taxes are usually imposed on a limited range of goods, such as luxury goods or products that can have a harmful impact on the consumer.

### **Export processing zone (EPZ)**

An artificial ring-fenced territory within a state, in which export-oriented industries with little interaction to domestic markets operate while the usual laws and regulations are suspended or relaxed.

### **False invoicing**

A similar practice to transfer-pricing abuse, but between unrelated companies.

### **Feminist economics**

Feminist economics promotes economic equality between women and men. The activities, behaviour and decisions of men and women have a major impact on our economy. But mainstream economics has a tendency to be based on men's lives and recognises only work that is done for money. A feminist economics perspective recognises the paid and unpaid work of both men and women (Women's Budget Group, UK.) <https://wbg.org.uk/wp-content/uploads/2018/01/WBG-What-is-Feminsist-Economics-PDF-compressed.pdf> and the statement on African Women's Economic Justice <http://africlub.net/awdf/wp-content/uploads/AWEF-Statement-FINAL.pdf>

**Fiscal policy**

Fiscal policy is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy. It is the sister strategy to monetary policy through which a central bank influences a nation's money supply. These two policies are used in various combinations to direct a country's economic goals.

**Flat rate tax**

A tax system in which the amount of tax paid remains constant in proportion to total income. That prevents taxes from reducing inequalities.

**Gross domestic product (GDP)**

Total value of final goods and services produced in a country

during a calendar year. GDP per person – total GDP divided by the population – is the simplest overall measure of income in a country. The change in GDP from one year to another, if positive, is a measure of economic growth.

**General sales tax (GST)**

A tax added to the value of all sales with no allowance for claiming a rebate on tax paid. Different from VAT, which is only paid by the final consumer and for which each other stage of production needs documented proof of not being a final consumer. Goods and services tax (GST) is the same as general sales tax – name differs from country to country.

**GNI**

Gross national income is the value of a country's final output of goods and services in a year. It is the gross domestic product plus what a country's residents earn abroad and minus what is paid out abroad. The GNI has replaced the term GNP.

**Gender-responsive budgeting (GRB)**

Gender-responsive budgeting is a means of integrating a gender perspective into all steps of the budget process – planning, drafting, implementing and evaluating – so as to ensure that budget policies take into consideration the gender issues in society. GRB does not involve creating separate budgets for women and girls and men and boys. GRB ensures fiscal

transparency and accountability in utilisation of budgetary allocations made to programmes benefiting women and girls. As an instrument it is also helpful in evaluating any increases of budget allocations directed at women and girls. The basic idea is to ensure that spending serves the needs and priorities of women and men and girls and boys of different socio-economic and demographic categories with the aim of reducing gender and intersecting inequalities.

**Illicit capital flight**

The process whereby wealth-holders and businesses place their funds and other assets outside the country of residence. The process is illicit if funds are of criminal origin, are illegally transferred or are

used for illicit purposes.

### **Illicit financial flows (IFFs)**

IFFs is an umbrella term that covers cross-border movements related to tax abuse, tax avoidance, tax evasion, regulatory abuses, bribery, the theft of state assets, the laundering of the proceeds of crime and the financing of terrorism.

### **Income taxes**

Taxes on income, profits, inheritance, payroll and capital gains are generally divided between taxes payable by individuals and corporations.

### **Indirect taxes**

A form of tax charged upon transactions, usually on their gross value. Examples include

sales taxes, value added taxes, goods and services taxes, stamp duties, land taxes, excise and customs duties, and levies of all sorts.

### **Macro-economic policy**

Macroeconomic policy aims to provide a stable economic environment that is conducive to fostering strong and sustainable economic growth. The key pillars of macroeconomic policy are fiscal policy, monetary policy and exchange rate policy. Macroeconomic policy is concerned with the operation of the economy as a whole.

### **Money laundering**

The practice of processing money from criminal or otherwise illicit activities to give it

the appearance of originating from a legitimate source.

### **Multinational corporations (MNC)**

A multinational corporation is usually a large corporation incorporated in one country that produces or sells goods or services in various countries. Two common characteristics shared by MNCs are their large size and the fact that their worldwide activities are centrally controlled by the parent companies.

### **Official development assistance (ODA)**

OECD defines official development assistance as flows to developing countries and multilateral institutions that are

provided by official agencies or by their executive agencies and that meet the following tests: (a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective; and (b) it is concessional in character and conveys a grant element of at least 25%.

### **Progressive taxes**

A tax system in which, as income rises, the amount of tax paid increases in proportion to the income as well as in absolute terms, that is the percentage tax rate increases as the income rises. These kinds of taxes reduce inequalities.

### **Regressive taxes**

A tax system in which those who earn more pay proportionately less tax. These kinds

<sup>88</sup> <https://www.investopedia.com/articles/tax/08/tax-credit.asp>

of taxes increase inequalities and are the opposite of 'progressive taxes'.

### **Revenue**

A government's total annual amount of available resources. Revenue is usually divided into tax revenue (money collected from direct and indirect taxation of individuals and companies) and non-tax revenue (government revenue not generated from taxes, such as aid, loans, revenue from state-owned enterprises, rents/concessions/royalties and fees).

### **Royalties**

Royalties are usage-based payments for ongoing use of an asset as prescribed in a licence agreement, for example natural resources such as oil, minerals and forests but also intellectual

property including music and pharmaceutical products. Royalties are typically agreed upon as a percentage of revenues raised from the use or gradual depletion of an asset.

### **Secrecy jurisdiction**

Secrecy jurisdictions are countries, cities and territories that provide financial secrecy that undermines the regulation of another jurisdiction for the primary benefit and use of those not resident in their geographical domain. Their laws allow banking or financial information to be kept secret under most circumstances. Such jurisdictions may create a legal structure specifically for the use of non-residents.

### **Sex vs Gender**

Sex is the biological difference between men and women. Gender is the way in which society assigns characteristics and social roles to women and men.

### **Social security payments**

Payments made towards maintaining government-provided health, unemployment, pensions and other basic social rights. Frequently considered as taxes or social contributions.

### **Special economic zone (SEZ)**

SEZs are similar to the Economic Processing Zones, but the activities can include domestic market-oriented business activities. The SEZs have also been used by some countries in the Global South to set

up international financial services centres, mirroring prominent secretive jurisdictions like the Dubai International Financial Services Centre and Hong Kong.

### **Surcharges**

A surcharge is an extra fee, charge or tax<sup>88</sup> that is added on to the cost of a good or service, beyond the initially quoted price. Often, a surcharge is added to an existing tax and is not included in the stated price of the good or service. Surcharges are a way to indirectly pass costs on to the consumer, by listing a charge separately from the cost of the good or service, which appears to stay at the same price.

**Sustainable development**

This is development that meets the needs of today, without compromising the ability of future generations to meet their own needs. It includes addressing environmental, economic and community issues.

**Tax**

A fee levied by a government or a regional entity on a transaction, product or activity in order to finance government expenditure. Tax rates and the tax base are decided by a representative legislative body, based on constitutional provisions.

**Tax abuse**

A term used by human rights practitioners to refer to tax practices that are considered contrary

to the spirit of the law, human rights norms and principles. This may encompass largely similar practices to what is called 'legal' tax avoidance based on a narrower interpretation of the law.

**Tax arbitrage**

The process by which a sophisticated taxpayer plays off the tax systems of two or more different countries to obtain a tax benefit as a result.

**Tax avoidance**

A term used in the accounting world to define what is legal tax minimisation within the law, rather than what is illegal (tax evasion). The accounting profession assumes that something that is not explicitly illegal must therefore be legal; and many anti-avoidance schemes exploit loopholes, different tax rates in

DTAs and other discrepancies between jurisdictions. It is the practice of seeking to minimise a tax bill within the letter of the law (as opposed to illegal methods, which would be classed as tax evasion or fraud). This often involves manipulating the tax base to minimise the tax payable.

**Tax base**

The collective value of transactions, assets, items and other activities that a jurisdiction chooses to tax.

**Tax burden**

The impact that various taxes would have on different sectors of the population.

**Tax capacity**

A term that denotes the capac-

ity of a sovereign country to raise revenue with regard to its fiscal architecture.

**Tax competition**

The pressure on governments to reduce taxes, usually to attract investment, either by way of reduction in declared tax rates or through the granting of special allowances and incentives.

**Tax compliance**

Payment of tax due without engaging in tax avoidance or evasion.

**Tax consensus**

A set of tax policies promoted by the International Monetary Fund in view of macroeconomic stability, but disregarding equity concerns. Policies include:

reductions in the rates of corporate and other income taxes; reduction of trade taxes in support of trade and investment liberalisation; expansion of indirect taxation such as VAT; simplification of the tax code; and promoting significant structural overhaul of tax administrations.

### **Tax dodging**

A term that is often used by tax justice campaigners when it is not clear whether tax is being avoided or evaded. It highlights the fact that many tax avoidance strategies are abusive, even when considered legal.

### **Tax effort**

A term used to determine the extent to which a government translates tax capacity into revenue.

### **Tax evasion**

A term used by the accounting profession to define what is illegal tax minimisation. These practices take place in a legal vacuum, amid legal uncertainty or in the context of financial secrecy or lack of public information and information exchange, where the risk of discovery is small. The term is used to denote illegal methods used to pay less tax, also known as tax fraud.

### **Tax gap**

The difference between nominal tax ratios and actual tax revenues. This can be calculated by using various methodologies, for instance the difference between tax capacity and tax effort, or random tax inspections of taxpayers.

### **Tax haven**

Tax havens, or offshore financial centres, are generally countries or places with low or no corporate taxes that allow outsiders to easily set up businesses there. Tax havens also typically limit public disclosure about companies and their owners. Because information can be hard to extract, tax havens are sometimes also called secrecy jurisdictions. Tax havens have the following key characteristics: no or only nominal taxes; lack of effective exchange of information; lack of transparency in the operation of the legislative, legal or administrative provisions.

### **Tax holiday**

A period during which a company investing in a country

does not have to pay tax under an agreement with the government.

### **Tax incentives**

A tax incentive is an aspect of the tax code designed to encourage a certain type of behaviour. This may be accomplished through means such as limited periods of tax holidays or permanent tax deductions on certain items. However, it might also become a space for corporate lobby and misuse of tax breaks, without any return for society.

### **Tax planning**

When tax legislation allows more than one possible treatment of a proposed transaction, the term may legitimately be used for comparing various means of complying with taxa-

tion law. It can be made in such an aggressive way that is hard to understand how legal and/or moral the tax planning is.

### **Tax rate**

A tax rate is the percentage at which an individual or corporation is taxed.

### **Transfer-pricing abuse**

This involves the manipulation of prices of transactions between subsidiaries of multinationals, or, more specifically, the sale of goods and services by affiliated companies within a multinational corporation to each other at artificially high or low prices (outside the arm's length range). This may occur for a number of reasons, including to shift profits to low-tax jurisdictions or countries providing preferred tax treatment

to certain types of income. Can also be referred to as 'transfer mispricing'.

### **Value added tax (VAT)**

A tax charged by businesses on sales and services but which allows businesses to claim credit from the government for any tax they are charged by other businesses in the production chain. Different from the general services tax, which does not require proof of being an intermediate producer. VAT is often criticised for being regressive.

### **Withholding tax**

Tax deducted from a payment made to a person outside the country. Generally applied to investment income, such as interest, dividends, royalties and licence fees according to a

Double Tax Treaty signed between the two jurisdictions.

### **World Bank**

The term World Bank is commonly used to refer to the International Bank for Reconstruction and Development and the International Development Association. Three other agencies are also part of the World Bank, the International Finance Corporation, the Multilateral Investment Guarantee Agency and the International Centre for Settlement of Investment Disputes. Together these organisations are referred to as the World Bank Group.

### **World Trade Organisation (WTO)**

The only global international organisation dealing with the

rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments.

### **Zero rate**

The term is used in relation to VAT, where the tax is in principle levied but at a rate of 0% so that in effect no tax is payable but will result in refunds of input tax credits.

<sup>89</sup> For the complete list of gender analysis questions, see Oxfam (2019). Gender and Taxes: The gendered nature of fiscal systems and the Fair Tax Monitor.  
<https://policy-practice.oxfam.org/resources/gender-and-taxes-the-gendered-nature-of-fiscal-systems-and-the-fair-tax-monitor-620868/>

## Annex

### Gender Analysis Questions for the Common Research Framework - Fair Tax Monitor

*This partial and slightly modified list of questions for a gender analysis of tax systems was developed for the Common Research Framework of the Fair Tax Monitor. It has been shortened for its use here.*<sup>89</sup>

#### Distribution of the tax burden and progressivity

- Is the Personal Income Tax (PIT) system free from explicit negative gender discrimination (e.g., no specific tax deductions or allowances applicable only to men)?
- Are there corporate income tax incentives for MSMEs and start-ups, with specific schemes for women and marginalised groups?
- Is there a lower/zero rate for essential food, household products, and essential items such as menstrual hygiene products?
- Are presumptive tax rates for sectors where women are predominantly operating the same as or lower than those in sectors where men are predominantly operating?

#### Research questions

- Is there any distinction of rates based on gender, , marital status (single/married), or size of family (e.g. number of children)? Are married couples taxed differently? If yes, do couples have the option to file PIT returns as a single unit or are they actually required to do so? What is the impact on women's income if they file returns

as a single unit?

- Are tax allowances/exemptions equally accessible to men and women? Are women eligible to be recognized as head of household/family and receive the related fiscal incentives for themselves and for their dependents?
- In what way do the PIT policies, rates, and exemptions address income & gender inequality? Do such policies contribute to a fair tax system? What policies could be designed to increase its fairness?
- How do the Corporate Income Tax (CIT) policies affect income and gender inequality? Do the policies contribute to a fair tax system? Draw up main policy recommendations based on this analysis.
- How do the property and wealth tax policies affect income & gender inequality? Do the policies contribute to a fair tax system? Draw up main policy recommendations based on this analysis.
- Is there a lower rate, exemption, or zero sales tax/VAT rate for essential products traditionally purchased by women for the household (e.g. menstrual hygiene products for women, cooking fuel, cleaning materials, educational materials, clothes)?
- How do sales tax/VAT and its specific rates/exemptions affect income & gender inequality? Do they contribute to a fair tax system? Draw up main policy recommendations based on this analysis.
- Are impact assessment studies carried out before the levying of excise taxes, taking into account the impact on women and the poorest in society?
- How do excise tax policies affect income and gender inequality? Do the policies contribute to a fair tax system? Draw up main policy recommendations based on this analysis.

- Are essential goods that are predominantly consumed by women, households and vulnerable groups subject to trade taxes? Are sectors that traditionally employ women subject to export taxes?
- How do trade tax policies affect income and gender inequality? Do the policies contribute to a fair tax system? Draw up main policy recommendations based on this analysis.
- Do presumptive tax rates differ across economic sectors in a way that is unfavourable for women and other vulnerable groups?
- How do these tax policies affect income and gender inequality? Do they contribute to a fair tax system? Draw up main policy recommendations based on this analysis.
- Are the sectors that traditionally employ women taxed differently?
- Is there any government policy (fiscal or other) focused on unpaid care work? Such policies might include tax allowances, free childcare and elderly facilities.
- Are there specific aspects of the tax system (rates, policies or laws) that have a discriminatory effect towards women? Are there gender-responsive policies for tax?
- Bearing in mind that gender discrimination is often implicit, draw up main policy recommendations based on this analysis.

## Sufficient revenues and illicit financial flows

- Is there any information available on the current financing gap on gender equality commitments (laws and policies) made by the government?
- Are there public policies designed to address gender inequality (including in public services where gender equality is not the primary objective)? Do these policies have adequate resources allocated within the budget?
- Does the government track and report on resource allocation for gender equality? What has the trend been regarding total budget expenditure?
- Does the government have benchmarks for financing gender equality? Is there a financing gap on public commitments to gender equality? What additional revenue would be required to achieve targets?
- Have austerity measures been taken/planned, and did/will these include cutbacks in spending on pro-poor and gender-responsive public services, infrastructure or social protection? What was/is the time-frame for these? Has their impact on gender equality been assessed?
- What is the ratio of PIT taxpayers to the economically active population and to the total population? Provide an overview taking into consideration the last year available, five years ago and ten years ago. If possible, provide disaggregation by gender, age, income, location and other relevant socio-demographic groups.
- Is there a tax registration system for individuals? What is the proportion of PIT taxpayers in each income bracket? What is the breakdown by gender and income quintiles?

## Tax competition and corporate incentives

- If special zones have been created with corporate incentives (free trade zones, special economic zones, export processing zones, development zones), has there been any impact on labour conditions, labour rights and labour unions? Any specific impact on women or marginalised groups?

## Effectiveness of the tax administration

- Does the tax administration work with or produce gender-disaggregated data? Does the tax administration allocate resources to collect and update gender-disaggregated data?
- Are at least 30% of the tax staff on each level (fiscal policy makers, senior positions, tax collectors) women? What is the percentage of women in senior positions?
- Do tax officials receive training on gender equality and inclusion? Do tax collectors receive training on engaging with marginalised groups?
- Is the country a signatory to regional or international conventions related to gender fiscal policies (e.g. CEDAW)? Have there been any changes to how the government sets criteria for gender equality in fiscal policy and practice due to being part of such conventions?
- Does the code of conduct promote gender equality and inclusion, both within and outside the tax administration/revenue authorities?
- Provide an analysis of oversight mechanisms for the revenue authorities. Is there a code of conduct (including sexual misconduct) and is it effectively enforced? Is there protection for whistle-blowers?

## Transparency and accountability

- Does the government conduct impact assessments by gender, income and other groups to identify the direct and indirect effects of taxes and public spending on the poor, women and marginalised groups?
- Has the government established processes to facilitate the participation of women's rights organisations in revenue policies at the national and local level?
- Are women's rights organisations given the opportunity to participate in shaping revenue policies at the national and local levels in practice?
- Does the government conduct impact assessments by gender, income and other groups to identify the direct and indirect effects of taxes/budget choices, paying particular attention to the impacts of both taxes and public spending on the poor, women and marginalised groups? How extensive is this impact assessment? What is the assessment process like, e.g. is it participatory?
- Does the government make a prominent effort to promote and implement gender-responsive budgeting?
- Is there any policy/practice that promotes or supports the participation of women and women's organisations in the development of revenue policies in particular?

## Resources

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