

## **Background Briefing: The World Bank's approach to gender equality: What does the Beijing Declaration and Platform for Action mean for the World Bank's macroeconomic agenda?**

April 2020: by The Tax and Gender Working Group of the Global Alliance for Tax Justice (GATJ)

### The World Bank and the Beijing Declaration and Platform for Action

This year marks the 25<sup>th</sup> anniversary of the landmark Fourth World Conference on Women held in Beijing in 1995. Its corresponding [Beijing Declaration and Platform for Action](#), the most progressive blueprint for the advancement of women's rights to date, was adopted by 189 UN Member States, and reviewed and [reaffirmed](#) by Member States at the 64<sup>th</sup> session of the Commission of the Status of Women last month.

The Beijing Declaration and Platform for Action [recognised](#) the central role of macroeconomic policy in the promotion of women's rights, including taxation policy, and highlighted strategic objectives and actions relating to international financial institutions in this regard. The Platform for Action proposed that governments must review and modify macroeconomic policies to address the structural causes of poverty and reduce gender inequality. During his time as World Bank President, James Wolfensohn, commissioned a [review](#) in 2005 into the World Bank's alignment with the Platform for Action, commenting that at the Beijing Conference, "*the World Bank committed itself to actions that would enable women and girls everywhere to realize their potential, improve their quality of life, and help build better economic outcomes for all.*" Specifically, the Platform (para 59 b) called on the World Bank to, "*Strengthen analytical capacity in order to more systematically strengthen gender perspectives and integrate them into the design and implementation of lending programmes.*"

**Given this, we call on the World Bank to demonstrate whether the policies, especially macroeconomic policies, and programmes it supports, align with the Beijing Declaration and Platform for Action, and to conduct gender impact assessments of policy advice through technical assistance and lending to member countries.**

### A people-centred, women's rights approach to the COVID-19 crisis

As the world is witnessing an unprecedented pandemic unfolding, **realising the Platform for Action has become even more pressing. Both the COVID-19 pandemic itself, as well as the health and macroeconomic measures taken in response to the crisis, will impact men and women differently.** Globally, [on average](#), women do almost two and a half times as much unpaid care and domestic work as men. At the same time, women earn less across almost all sectors, are more likely to work in precarious occupations with less security and social protection, and in the most vulnerable and low-paid informal employment. This 'care economy' largely falls on the shoulders of women and is vital to the functioning of all societies, as starkly demonstrated by the COVID-19 outbreak. It is given little or no value or consideration, undermining women's position in society and efforts to achieve gender equality.

UN Women has warned that the COVID-19 pandemic is expected to significantly [increase](#) women's burden of unpaid care and domestic work, with additional responsibilities around childcare and support for vulnerable groups. This disproportionately impacts women's livelihoods and [working conditions](#). The crisis also puts women at [increased risk](#) of domestic violence. At the same time, women are at the forefront of efforts to ameliorate the crisis, holding [two thirds](#) of health sector jobs globally, including nursing, midwifery and community health work.

**While the [Bank is providing assistance to countries in response to the COVID-19 crisis](#), it is more vital than ever that it fully aligns its response with the Platform for Action, placing care and women's rights at the centre.**

## The World Bank, taxation and gendered impacts

A crucial aspect of implementing the Platform for Action, especially in the face of the COVID-19 fiscal crisis, is progressive taxation, as governments look to mobilise the necessary resources in response to the crisis. However, while **international actors have focused efforts to achieve gender equality on expenditure, they have neglected that how revenue is raised can perpetuate or exacerbate existing gender inequalities.** In a 2013 [guidance note](#) for staff, the World Bank recognised that macroeconomic policy reforms, relating to tax, employment, prices, access to goods and services, *“impact men and women differently because they encounter very different opportunities and constraints, and they have different roles and needs.”* The note highlights that, *“Implicit biases in taxation interact with gender differences in types of employment, consumption behaviour, and property rights, leading to different impacts...women also tend to spend a larger portion of their income on household items, such as food, clothing and health care, which means that an increase in taxes on the goods and services has a greater impact on them and their dependents than men.”* Regressive taxes like Value-added Taxes (VAT) or Goods and Services Taxes (GST) disproportionately [gendered impacts](#) and are used to recoup [lost revenue](#) from corporate income tax (CIT) rate cuts, transnational corporate profit shifting to obtain low or zero corporate income tax rates in tax havens and the growing use of generous tax holidays and harmful incentives in developing countries. The IMF has recently [highlighted](#) the importance of progressive taxation for the achievement of gender equality and has [prescribed](#) the macro-criticality of gender within its surveillance work.

The World Bank Group is the largest provider of development finance for Domestic Resource Mobilization (DRM), through its Global Tax Program and as a member of the Platform for Collaboration on Tax. The Bank is currently providing technical assistance on DRM to 106 countries. The World Bank also includes tax policy prescriptions as prior actions in some of its Development Policy Operations, as well as through its various flagship reports, like the *Doing Business* rankings. **We are concerned that the World Bank is not consistently considering the implications of tax policy on women’s rights in its DRM work, both through technical assistance and lending.** For example, the May 2019 [policy note](#) for ‘Domestic Revenue Mobilization’ in Liberia assesses the distributional impacts of the introduction of VAT, but neglects to conduct any gender impact analysis. Similarly, the March 2020 policy [working paper](#) on ‘The Distributive Impact of Taxes and Expenditures in Colombia’ omits analysis of the gendered impacts of different taxes, including VAT. This [reflects](#) the 2017 Development Policy Operation for Colombia, which contains a [prior action](#) for the government to adopt a tax reform to increase VAT from 16 per cent to 19 per cent, while simultaneously lowering overall corporate tax rates, again, with no gender impact analysis.

**We are concerned that, as countries seek to raise the revenue needed to address this crisis, regressive taxation measures will be increased with significant harmful gendered impacts. Therefore, we call on the Bank to align its DRM work with the Beijing Platform for Action in order to reduce the catastrophic impact of the outbreak and ensure the economic measures taken in response don’t perpetuate further gender inequality. We call on the Bank to promote the increased use of progressive taxation measures to secure much-needed financing from corporate income tax or wealth taxes, while providing immediate tax relief for consumption taxes on basic necessities such as foodstuffs and household electricity.**

### Given the above, we ask the World Bank European Executive Directors to:

- On the occasion of Beijing+25, support a renewed World Bank Group review of its actions, especially around macroeconomic policies, in alignment with the Beijing Declaration and Platform for Action;
- Ensure that the World Bank Group conducts [ex-ante gender impact assessments](#) of DRM policy advice, including through technical assistance and lending;

- Support an intergovernmental UN tax commission that is transparent, coherent and promotes equality;
- Ensure World Bank lending and policy advice do not contribute to [Illicit Financial Flows](#) (IFFs), including tax abuse and tax avoidance. The Bank must adopt the [strongest international standards against tax havens](#) and remove the tax rate indicator from its Doing Business Index;
- Ensure that women's rights groups in their full diversity are included in [meaningful consultations](#) and [participation](#) in all of the above.

**In response to the COVID-19 pandemic for the World Bank European Executive Directors to:**

- Support the use of increased wealth, corporate income and financial transaction taxes, and reduced regressive taxes, like value-added tax in advice and lending;
  - Support immediate [tax relief for consumption taxes](#) on basic necessities;
  - Suspend [debt obligations](#) across World Bank Group lending programmes;
  - Promote investment in public, universal care infrastructure to address women's disproportionate share of low-paid care roles and unpaid care and domestic work.
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