REGIONAL POLICY ON FISCAL JUSTICE FOR WOMEN AND GIRLS IN AFRICA

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EXECUTIVE SUMMARY

Fiscal policy remains an important instrument used by governments the world over to achieve stability in their economies. Taxes and government expenditure are the main fiscal policy instruments employed by many economies to influence government revenues and other economic activities. Oxfam with partners initiated the Fair Tax Monitor (FTM) research in Zambia and Uganda as part of its Fiscal Justice for Women and Girls in Africa Project (FJWG) in order to understand the depth of tax related gender inequalities in the context of Covid-19 and beyond. The COVID-19 pandemic exposed the African economies to severe effects besides their normal challenges of revenue inadequacy. African economies therefore ought to design tax systems and policies that besides raising adequate revenues should not disproportionately affect poor households or women and girls. The conclusions of these two reports point to evidence of absence of tax related gender responsive policies. Besides, non-recognition of unpaid care work, over-reliance on indirect taxes, absence of property taxes and insufficient tax revenue due to illicit financial flows (IFFs) are some of the factors that were found to affect women and girls negatively.

Following the Uganda and Zambia FTM reports, Oxfam International Pan Africa commissioned this study to develop a regional fiscal policy proposal for improved financing of gender responsive public services. The assignment entailed review of documents on gender and tax in Africa to corroborate the findings of the two FTM reports to generate background and justification to the fiscal policy proposal. Key Informant Interviews (KIIs) were conducted with respondents across African countries to gather views on their country's tax system in relation to gender. The findings were helpful in formulation of policy proposals on fiscal justice for women and girls in Africa. Further, a stakeholders' engagement was held in Lusaka Zambia to discuss and develop consensus on the key findings and their views were incorporated in the final report.

An analysis of the Uganda and Zambia FTM reports identified implicit and explicit gender biases emanating from these countries' fiscal inequality that was directly linked to their regressive tax systems, tax revenue leakages, excessive tax and investment incentives, lack of gender disaggregated tax data, inadequate budgetary allocation to the social sectors, and the impact of Covid 19 pandemic.

Reviewed literature on other African countries and responses from Key Informant Interviews (KIIs) established that African countries are faced with revenue shortfalls due to their inability to mobilise sufficient domestic revenue to meet their expenditure requirements. This is attributed to financial leakages through tax evasion and avoidance, inefficient tax administration, unjustified 'tax incentives', large size of the informal sector, embezzlement of tax revenue, under-taxation of profits from mining companies, and wealth and incomes of very rich individuals among others[1]. Consequently, this has a direct bearing on women and girls where they carry the greatest tax burden occasioned by these issues. Therefore, there is

[1] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf

need for enhanced advocacy for fiscal justice for women and girls in Africa, an initiative that is being spearheaded by Oxfam International Pan Africa.

POLICY PROPOSALS FOR FISCAL JUSTICE FOR WOMEN AND GIRLS IN AFRICA

This report deduces the following recommendations to improve fiscal justice for women and girls in African Countries:

Improve progressivity of tax systems; *African governments should come up with tax reforms to improve progressivity of tax systems by shifting overreliance from indirect taxes to direct taxes, replace flat rate excise duty rates with graduated rates where high income earners pay more and introduction of VAT exemptions and zero rating of basic products used solely by women and girls.*

Curb Illicit Financial Flows and tax evasion *through enhanced border surveillance, proper utilization of tax revenues and advocacy on ethical behaviour.*

Review of Tax Incentives Regulations; *African government revenue authorities should undertake a cost benefit analysis to ascertain incentives that have positive economic benefits to ensure the incentives provided make economic sense. The CSO should also scrutinize the tax incentives and advocate for retention of only those that are beneficial to promotion of fiscal justice for women and girls. Further, the incentives can be extended to small and medium enterprises owned by women to encourage more women into economic activities.*

Gender Responsive Taxation*; Formulation of tax policies in Africa that are gender responsive thus taking into account the impact that different taxes have on women and girls. African countries should consider pursuing a tax policy that eliminates tax exemptions on direct taxes mainly corporate and personal income tax since such exemptions tend to benefit men disproportionately. Besides, the CSOs can advocate for a reduction in general sales taxes, VAT exemptions for basic food and goods, and increase taxes on luxury goods that are enjoyed mostly by rich people majority of who are men.*

Gender Responsive Government Budgeting*; Advocacy for more allocation of resources on sectors advantageous to women such as education, health, water and sanitation should be enhanced. To justify the advocacy, a gender responsive analysis of the budgets can be carried out and the results of the analysis published and used to inform the budget process.*

Recognition of Unpaid Care Work; *African governments to push for recognition, reduction and redistribution of the unpaid care work, and representation of women in decision making. Recognition-will show that care work happens and takes women and girls time; Reduction of unpaid care work will leave women with more time for paid work, Redistribution by promoting equal sharing of unpaid care work among family members; Representation, increasing the participation of women and girls at decision making levels both at local and national level. Besides, a special tax relief to be granted in the personal income tax to compensate women by leaving them with more disposable income that will enable them* *increase their spending on education and healthcare services. This can be achieved through introduction of unpaid care-work relief exclusive for employed women.*

Emergency Fund*; African governments through relevant ministries in conjunction with non-state actors should develop disaster risk management strategies which include setting aside sufficient funds/contingency fund through the budget process for emergency cases to cushion specifically women and girls from adverse effects, putting in place an efficient disaster response mechanism to guide and coordinate response during periods of emergencies.*

Improve Domestic Revenue Mobilisation*; African governments should, through their relevant ministries and revenue authorities, explore domestic revenue mobilisation opportunities such as enhancing tax progressivity where the rich are taxed more, improving efficiency of the revenue authority through digitization of the tax collection to seal leakages, tax awareness campaigns, efficient and transparent use of tax revenues, stringent measures to curb corruption and high penalties for defaulters.*

Strict Adherence to Budgetary Allocation; *African Gender Ministries and National Assemblies should draft and enact laws that require all government ministries and departments to obtain a certificate of gender and equity (G&E) compliance before their budgets are appropriated by Parliament. CSOs to participate in the budgetary making process, advocate for representation of women and their interest through the parliamentary budget and appropriation committees, monitor budget expenditures, and advocate for strict gender and equity compliance during appropriation of budgets and expenditures by African parliaments.*

Coordinated Civil Societies' Advocacy Efforts; *CSOs engaged in fiscal justice should form an umbrella body at the continent level with branches at the national level that coordinate the mapping of all the actors operating in the continent to push for fiscal justice for women and girls in Africa. The continental coordinating body should work closely with the regional blocs' secretariat and provide technical and logistical support to the national bodies who are supposed to work closely with the ministries responsible for gender matters.*

Gender Tax Disaggregated Data; *African governments through their revenue authorities should incorporate options for provision of gender information when filing tax returns. Further, the gender disaggregated data gathered should be employed in undertaking gender impact assessments to redress gender inequalities in taxes.*

Increase representation of women in tax administration: *The Revenue authorities and public service commissions should develop a framework which recruits more women in tax administration and promote those who qualify to senior positions to increase their representation in tax policy decision making. CSOs to advocate for increased women representation in Tax Administration, particularly at senior levels.*

A Need for Sensitization and Awareness Creation with key Stakeholders; *CSOs should spearhead sensitization and awareness creation on the regional fiscal policy proposal for women and girls in Africa, targeting key stakeholders (Members of Parliament, Ministers of Finance, Revenue Authority Management, Ministers of Gender, other CSOs) to inspire the goodwill to avoid or reduce opposition of the fiscal policy proposals due to lack of understanding. This can be achieved through stakeholder workshops for sensitizing stakeholders on the need for the policies to be passed and their potential benefits.*

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF ABBREVIATIONS

CEDAW	Convention on Elimination of All Forms of Discrimination Against Women
CIT	Corporate Income Tax
COMESA	Common Markets for Eastern and Southern Africa
CSOs	Civil Society Organizations
DRMS	Domestic Revenue Mobilization Strategy
EALA	East African Legislative Assembly
EITI	Extractive Industries Transparency Initiative
FJWG	Fiscal Justice for Women and Girls
FTM	Fair Tax Monitor
GADN	Gender and Development Network
GDP	Gross Domestic Product
GII	Gender Inequality Index
GRB	Gender Responsive Budgeting
IFFS	Illicit Financial Flows
IMF	International Monetary Fund
KII	Key Informant Interviews
LAC	Latin America and Caribbean
LGS	Local Government
MDAS	Ministries Departments and Agencies
MGI	Mckinsey Global Institute
MOFPED	Ministry of Finance Planning and Economic Development
NSSF	National Social Security Fund
NSTI	National Strategy for Transformation
OECD	Economic Co-Operation and Development
PBB	Programme Based Budgeting
PIT	Personal Income Tax
PSPS	Public Service Pension Scheme
TREP	Taxpayer Register Expansion Project
UNESCO	United Nations Education and Scientific Organization
UNDESA	United Nations Department of Social Affairs
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
URA	Uganda Revenue Development
VAT	Value Added Tax
WEF	World Economic Forum Development

1.0 INTRODUCTION

Fiscal policy remains an important instrument used by governments the world over to achieve stability in their economies. This is because of its ability to return economies to their stable path by promoting economic growth, employment creation and price stabilization particularly in instances of global shocks as well as mitigating the effect on vulnerable groups[2]. Economic shocks such as the global financial crisis and pandemics such as the Covid-19 have devastating effects on economies and their impact is mostly felt by the poor and the disadvantaged groups such as women and girls. These effects are mainly pronounced in developing economies mostly in Africa. The COVID-19 pandemic exposed the African economies to severe effects besides their normal challenges of revenue inadequacy. African economies therefore ought to design tax systems and policies that besides raising adequate revenues should not disproportionately affect poor households or women and girls.

1.1.1 Effects of Covid-19 on Women and Girls

The onset of the Covid-19 pandemic stressed already constrained African economies where 52 percent of the citizenry lack access to health care and 83 percent lack social protection[3]. Besides constrained tax revenue collection, the pandemic had a disastrous impact on already strained health systems in the continent. The effect was severe on the informal sector which accommodates more women and children thus disadvantaging them. To cushion the vulnerable, most governments in Africa adopted fiscal measures to ensure sustained incomes and reduce job losses. Some of the measures taken included the reduction of VAT and personal income tax, waiver of electricity payments, increased expenditures on healthcare among other measures. All these measures had positive effect particularly on women and girls who incur more expenses on consumption and healthcare. However, the intervention by African governments were low compared to emerging and OECD countries who allocated higher budgets to respond to the effects of the pandemic. Low-income, emerging markets and OECD countries spent 3.1 percent, 5.3 percent and 19.1 percent respectively of their GDP on COVID-19 response.

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[2] https://www.imf.org/external/pubs/ft/fandd/basics/fiscpol.htm

[3] https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_817572.pdf

The adopted measures were short-term and with most African governments facing out the interventions, the effect of the pandemic continues to be felt by the vulnerable particularly women and girls. As a result, the African economies suffer constrained economic activities consequently resulting to reduction in public revenues and hence a reduction the expenditures on social sectors. The fiscal inadequacy has indeed led to existence of explicit and implicit gender biases in these countries. To address some of the existence gender biases, the United Nations adopted the Sustainable Development Goals (SDGs) in 2015. This provides a framework through which countries can formulate policies that can end all forms of discrimination against women and girls thus advancing basic human right, economic growth and development. Besides, the Convention on Elimination of All Forms of Discrimination against Women (CEDAW) is a global policy that advocates for the empowerment of women socially and economically through establishment of financial assistance for women and girls, delivery of basic goods and job creation among others[4]. Fiscal and job creation policies geared towards social and economic transformation in any economy thus, need to be gender sensitive.

1.1.2 Tax Policies in Africa

Tax policies are contained in the various country legislations and acts of parliament enacted to guide in revenue collection and expenditures by governments. The importance of these policies is to provide a legal framework for revenue mobilization that takes precedence in many economies in Sub–Saharan Africa. However, though tax policies are in place in most African economies, tax revenues as a proportion of Gross Domestic Product (GDP) in these countries have remained low when compared to other economies. Figure 1 summarizes the trends of average total tax revenue as a percentage of GDP in Africa, Latin America and the Caribbean (LAC) and Organisation for Economic Co-operation and Development (OECD) countries.

[4] https://au.int/en/agenda2063/goals.

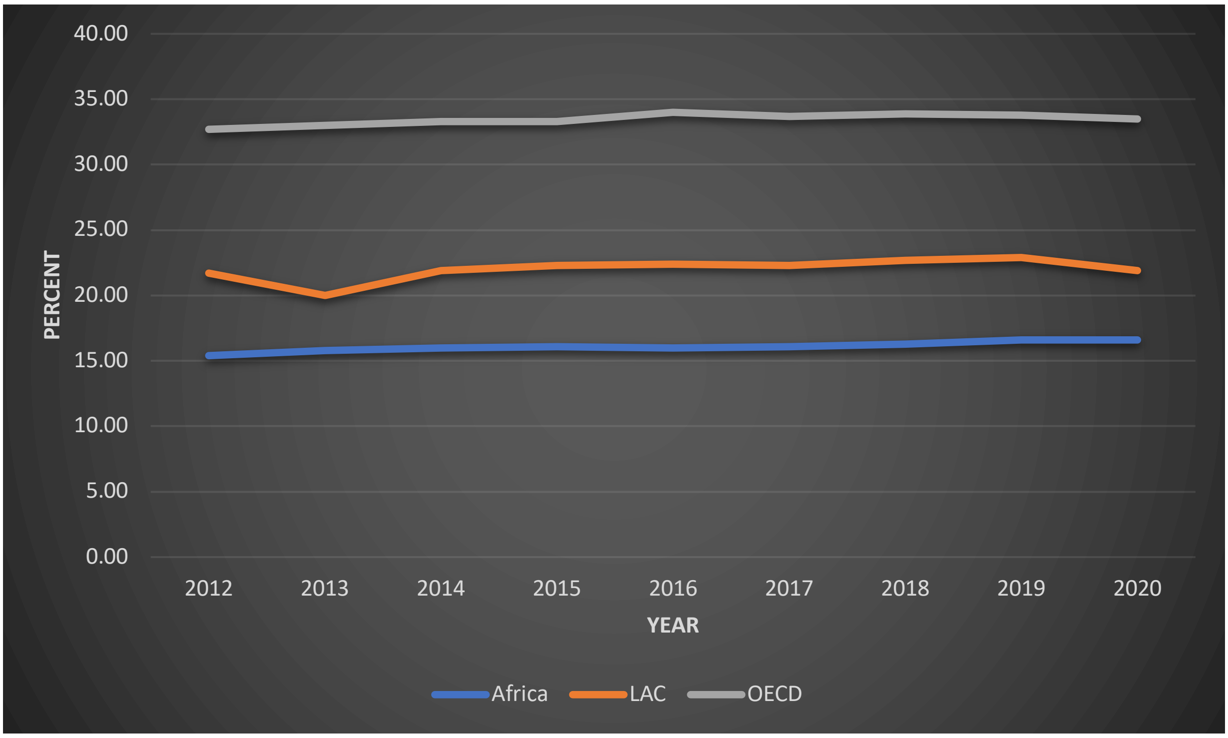

Figure 1: Trend of Total Tax Revenue to GDP of Africa, LAC, OECD.

Source of data: OECD (https://www.oecd.org/ctp/revenue-statistics-in-africa-2617653x.htm)

The Tax revenue to GDP in African countries ranged between 15.4 percent and 16.6 percent between 2012 and 2020 while LAC countries ranged between 20 percent and 22.9 percent in the same period as indicated in figure 1. The OECD countries recorded the highest tax revenue between 2012 and 2020 ranging between 32.7 and 34 percent. On average, Africa had a tax to GDP ratio of 16.1 percent while LAC and OECD had an average of 22 and 33.5 percent respectively, between 2012 and 2020. Thus, that tax revenue in Africa is low compared to OECD and LAC countries. The purpose of pursuing fiscal policy is to enhance human rights and development as well as reduction of inequalities through provision of public goods and services as outlined in the Uganda DRMS. The inadequacy of tax revenues thus hinders the achievement of equity due to reduction in budgetary allocation towards social sectors.

African economies also employ increase in tax rates to bridge the budget deficit as a way of complementing borrowing. Figure 2 summarizes the contribution of various taxes to total tax revenue for Africa, LAC and OECD countries.

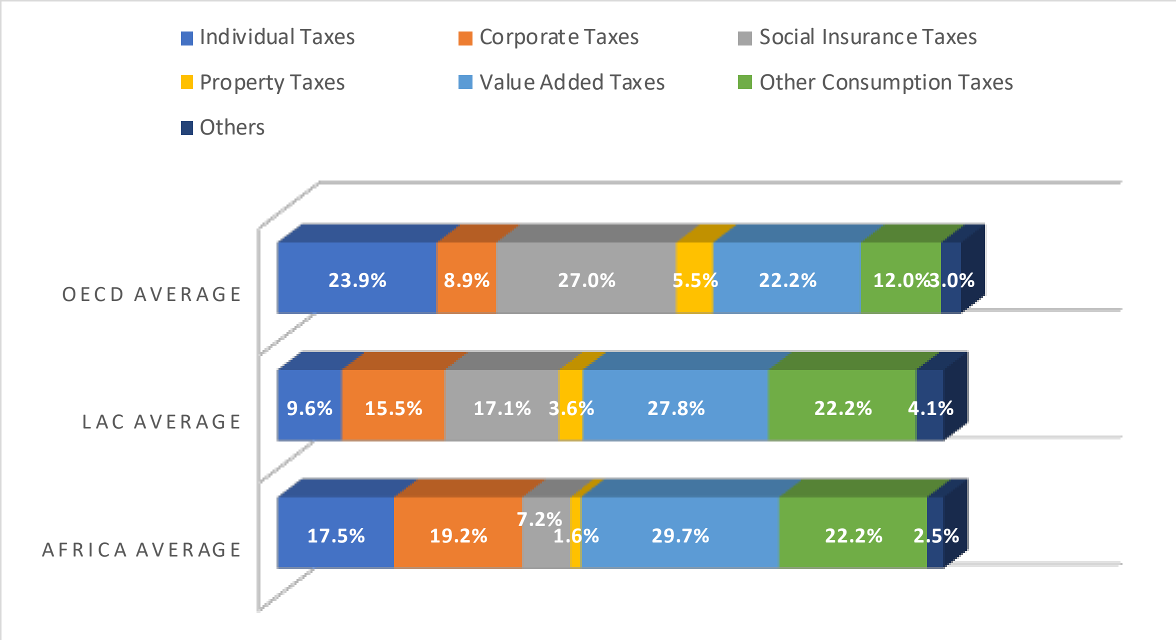

Figure 2: Various taxes as a proportion of total tax revenue in Africa, LAC, OECD.

Source: Tax Foundation (https://taxfoundation.org/africa-tax-revenue-oecd-report-2020)

From figure 2, both African and LAC countries rely heavily on VAT as the main contributor of total tax revenue compared to OECD countries. The VAT in these regions have a proportion of 29.7 percent and 27.8 percent of the total tax revenue respectively while it contributes 22.2 percent of total revenue in OECD countries. In OECD countries, the highest contributor of total tax revenue is social insurance taxes accounting for 27 percent while these taxes account for only 7.2 and 17.1 percent respectively in Africa and LAC countries. Other consumption taxes other than VAT account for a substantial portion of total tax revenue in Africa and LAC countries than in OEC accounting for 22.2 percent each in Africa and LAC and 12 percent in OECD. In short, African countries relies heavily on consumption taxes to raise government revenue. These consumption taxes fall heavily on women who carry the heavier budget of consumption as opposed to men and are not compensated adequately through public finance.

1.1.3 Effects of Public Debt on Women and Girls

The ability for an economy to raise sufficient tax revenue is crucial for any country for provision of public goods and services thus enhancing human rights, development and reducing inequality. However, most countries in Africa have not been able to raise sufficient tax revenues. The low tax revenue has forced most African countries to resort into borrowing and thus challenge of debt repayment. The debt servicing further eats into the tax revenue thus compromising government expenditure and pursuance of fiscal justice in Africa. For instance, the IMF and World Bank lend more money, enabling interest to other lenders, such as the private sector, to be paid back, above the needs and interests of the people, in particular the most vulnerable in society. For example, in Ghana as part of the current IMF bailout (2015-2019), the IMF and World Bank have together given $1.7 billion in loans, while the same amount has been spent on external interest payments, mostly at interest rates of 8 to 10 per cent, to private lenders. At the same time, Ghana has cut public spending by 17 per cent per person as part of the IMF programme.[5] Additionally, there is often missing or sparse information about government debts. More often, a lack of transparency around debt eventually exclude women, voices of citizens and civil society organisations (CSOs) and women's rights organisations in the decision-making processes. This exclusion matters, as decisions about debt payment fail to consider the disproportionate adverse consequences on the lives and rights of women in particular.

According to Gender and Development Network (GADN) 2018 report 'As Realising women's rights – the role of public debt in Africa', "Public debt and its servicing are a particular problem for the African continent, undermining the ability of governments to meet their commitments on gender equality and the promotion of women's rights. The costs of servicing this debt are disproportionately borne by women, while the funds borrowed are rarely spent in ways that prioritise women's rights."[6] African countries such as Mozambique, Ghana, Angola, Malawi and Kenya have borrowed for projects and programmes to enhance their agricultural sectors. These loans mainly focus on commercialising agriculture, increasing productivity and building capacities of public and private agricultural service providers.[7] Although agriculture as a sector has the potential to empower women in terms of both improving food security and boosting their income, discrimination against women in agriculture has undermined this potential.[8]

[5] https://www.brettonwoodsproject.org/2019/04/debt-and-gender-equality-how-debt-servicing-conditions-harm-women-in-africa/
[6] https://gadnetwork.org/gadn-resources/2018/8/9/realising-womens-rights-the-role-of-public-debt-in-africa
[7] See World Bank 2018.
[8] African Development Bank. 2015. Economic empowerment of African women through equitable participation in agricultural value chains. Abidjan: African Development Bank. Realising women's rights: The role of public debt in Africa www.gadnetwork.org

1.1.4 Fiscal Policy Reforms in Africa

To help improve tax revenue collection, African countries have over time instituted both institutional, legal, and policy reforms. The institutional reforms undertaken include the shifting of tax and customs authorities from finance ministries to newly formed, quasi-independent and self-financing agencies commonly referred to as the revenue authorities[9]. The legal reforms entail the enactment of country respective budget laws and regulations. In addition, most African economies have been compelled to undertake reforms on their fiscal policies. These reforms revolve around adjustments on mainly consumption taxes such as Value Added Tax (VAT) and excise tax as well as strengthening tax administration. However, the instituted measures and reforms have not yielded much in the enhancement of revenue collection.

The exposure to external shock on economies arising from global challenges such as the global financial crisis and corona virus disease (Covid-19) has further negatively impacted public finances of African economies. The covid-19 forced governments to introduce a raft of measures as a means of responding to the challenges of the pandemic. Besides the containment measures to prevent the spread of the corona virus, fiscal policy measures were undertaken which entailed increased public spending and lowering or postponement of taxes. The fiscal measures adopted resulted in increased budget deficits and thus more borrowing. As a result, more fiscal measures are necessary in order to raise revenues to pay back the debt further constraining the budgets thus making it difficult for the governments to meet their budgetary needs as well as addressing fiscal justice agenda.

1.1.5 Fiscal Justice for Women and Girls

The discourse around fiscal justice for women and girls continues to dominate both local and international development agenda. The continuous increase in tax rates in developing countries has a gendered impact on men and women. This means that although men and women are taxed under same rules, their different social and economic characteristics can inadvertently contribute to gender inequalities[10]. An analysis carried out by the Organization for Economic Cooperation and Development (OECD) indicates that gender discrimination and inequality impede a country's level of income, particularly in developing economies. In 2016, the loss associated with gender discrimination, in terms of lowering total factor

[9] https://www.ey.com/en_gl/tax/why-tax-collection-remains-a-challenge-in-sub-saharan-africa
[10] https://www.oecd.org/tax/tax-policy-and-gender-equality-b8177aea-en.htm

productivity, reducing the level of education and labour participation among women, was estimated by the OECD to cost up to USD 12 trillion, or 16% of the global GDP[11]. Observably, tax structures are not neutral and are often biased against the interests of women[12]. Most tax systems treat people differently depending on how much they earn. In progressive tax systems, the average tax rate rises with income, yet women's average earnings are 20 percent lower than men's.[11] As a result, even in the absence of gender-specific taxes, the impact will differ across genders since their average incomes are not the same[12].

In addition, taxation of labour supply affect family income and labor supply decisions, often in an interrelated manner, with important gender implications. The four main areas in which research has identified significant gender inequalities in tax systems include unpaid care work, paid employment, property and asset ownership and household decisions about savings and consumption[13]. Taxing consumption through VAT for instance, has a direct effect on women given the gendered patterns of consumption. Women are therefore disproportionately affected given that they carry a significant proportion of household consumption expenditure[14]. It is also feared that Covid-19 pandemic, further worked to reinforce the existing structural features of tax systems that disadvantage women by exacerbating existing inequalities or negatively affecting groups where women are over-represented for example caregivers who perform unpaid work [15].

The adverse effects of taxation therefore need to be taken into consideration for there to be equality for women and girls within the tax system.[5] While policy interventions other than tax policies could more directly address these issues, gender responsive fiscal policies are likely to promote macroeconomic stability by sustaining aggregate demand and private sector incomes during an economic downturn and by moderating economic activity during periods of strong growth. In order to promote sustainable economic growth and poverty reduction,

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[11] OECD (2016), "Does gender discrimination in social institutions matter for long-term growth? Cross-country evidence", https://www.oecd-ilibrary.org/development/does-gender-discrimination-in-social-institutions-matter for-long-term-growth_5jm2hz8dgls6-en;jsessionid=2WF6nQ_vUNbf_Zv50FybGqkU.ip-10-240-5-141
[12] https://www.imf.org/-/media/Files/Publications/WP/2022/English/wpiea2022026-print-pdf.ashx
[13] https://www.imf.org/-/media/Files/Publications/WP/2022/English/wpiea2022026-print-pdf.ashx
[14] Alesina, Ichino, and Karabarbounis (2011) for a theoretical explanation and Aguiar and Erik Hurst (2007) and Blau and Kahn (2007) for empirical evidence on the positive correlation between home duties and the elasticity of labour.
[15] Https://www.akinamamawaafrika.org/tax-justice-is-gender-justice-and-gender-justice-is-tax-justice/?utm_source=rss&utm_medium=rss&utm_campaign=tax-justice-is-gender-justice-and-gender-justice-is-tax-justice.

development efforts must ensure that policy interventions in the area of taxation do not negatively affect desired outcomes in the area of gender equality. Mainstreaming a gender equality perspective into general tax policy analysis can significantly improve the quality of public policy[16].

1.2 Justification of the Fiscal Policy Proposal

Oxfam, Tax Justice Network Africa and partners initiated the Fair Tax Monitor (FTM) research in Zambia and Uganda as part of its Fiscal Justice for Women and Girls in Africa Project (FJWG) in order to try and understand the depth of tax related gender inequalities in the context of Covid-19 and beyond. The conclusion of these two reports pointed to evidence of absence of tax related gender responsive policies. Besides, non-recognition of unpaid work, over-reliance on indirect taxes, absence of property taxes and insufficient tax revenue due to illicit financial flows are some of the factors that were found to affect women negatively. These findings are well corroborated by literature and thus, the need to replicate the findings as well as broaden the issues around fiscal injustice in Africa. Further, literature has shown that lack of pursuance of gender equity may hinder economic growth. This study is therefore, necessary to unearth the challenges of fiscal policy and responses to economic shock on women and girls in Africa. The study proposes policies that will adequately address the problem of fiscal injustice on women and girls in Africa. The policy recommendations will be useful for influencing fiscal policy in African economies. The policy provides credible evidence for influencing pro-poor gendered fiscal advocacy work and policy reform in Africa by organizations involved in the advocacy of gender equality in Africa.

1.3 Objectives

The main objective of the assignment was to develop a proposal for regional fiscal policy for improved financing of gender responsive public services based on the outcome of the FTM research in Uganda and Zambia. More specifically, the assignment involved:

i. Review the Uganda and Zambia FTM reports and recommendations and generate background and justification to the policy.

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[16] https://www.oecd.org/dac/gender-development/44896295.pdf

11. https://www.cnbc.com/2017/08/07/gender-pay-gap-is-still-20-percent-but-millennial-women-are-closing-in.html

12. https://www.elibrary.imf.org/view/journals/001/2022/026/article-A001-en.xml#:~:text=In%20progressive%20tax%20systems%2C%20the,incomes%20are%20not%20the%20same.

ii. Review of documents on gender and tax in Africa to determine the relevance of the findings of the two reports to the broader African context to be included in the policy proposal.
iii. Develop a policy proposal on fiscal justice for women and girls in Africa.

2.0 METHODOLOGY

The study employed a qualitative methodology. This approach entailed structured desk reviews, Key Informant Interviews and stakeholder's engagement.

2.1 Structured Desk Reviews

The study carried out desk reviews on recommended reports and other relevant related policy documents on fiscal justice for women and girls in Africa. Some of the documents reviewed include but are not limited to;

- The Uganda FTM 2021 report
- The Zambia FTM 2022 report
- Tax and Gender in developing countries
- Policy brief highlights from the Zambia fair tax monitor
- The Interaction of Tax Policy with Gender Equality (IMF, 2022**),**
- Policy brief|: Impact of Covid-19 on women (UN, 2020)
- The gendered nature of fiscal systems and the Fair Tax Monitor (OXFAM, 2019),
- Tax Justice and Gender Equality Conference 2021: Making Taxes work for Women,
- Approved AU protocol on Social protection and Safety Nets
- Budgets for sampled countries in Africa for about 5 years
- The development plans for the sampled countries
- Legal policies
- African Regional Economic Blocs protocols

2.2 Key Informant Interviews

The study adopted a cluster sampling technique where countries within the Africa continent were clustered into four regions namely; Western Africa (Ghana, Nigeria, Liberia), Eastern Africa (Kenya, Tanzania, Ethiopia, Rwanda, Mauritius, Uganda), Southern Africa (South Africa, Malawi), and Northern Africa (Sudan, Morocco). Key informant Interviews followed purposive sampling technique where structured questionnaires were administered to targeted respondents in Country Revenue Authorities, Academia, Civil Societies, Regional Economic Communities (RECS), Tax legal experts, and Fiscal Policy thinks tanks who accepted to be interviewed within the selected countries. Key informant interviews were carried out both physically and online.

2.3 Stakeholders Engagement

Stakeholders engagement involved presentation of the preliminary findings of the structured desk reviews and KIIs at a workshop held in Lusaka Zambia. The stakeholders were given an opportunity to discuss and develop consensus on the key findings and their views were incorporated in the final report. The stakeholders were drawn from the following organizations: Oxfam Pan Africa International, Oxfam Uganda, Oxfam Zambia, Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) Uganda, CUTS International (Consumer Unity & Trust Society), CARITAS, Sisters Keeper, Action Aid, Green Agriculture Youth Organization, Public Affairs Centre of Uganda, ERNTC, Youth Advocate, Zambia National Women's Lobby (ZNWL), The African Women's Development and Communication Network (FEMNET), Fight Inequality Alliance-Zambia, Sistah Sistah Foundation, IST, Young Women in Action (YWA), and NFPP.

2.4 Data Analysis

Data was analysed using both quantitative and qualitative methods. Qualitative analysis was employed in both the analysis of the KII responses and qualitative data from desk reviews, whereas quantitative analysis was employed to analyse quantitative data obtained through desk reviews. The following statistical software were used for analysis: Statistical package for Social Sciences (SPSS), Excel, and Stata software. Data analysed are presented thematically in order of themes generated during the study.

3.0 A GENDERED REVIEW OF UGANDA'S FAIR TAX MONITOR (FTM) REPORT

3.1 Introduction

The Fair Tax Monitor (FTM) is an evidence-based advocacy tool developed by civil society to promote fair tax systems[17]. The Uganda FTM report reviewed was the third study conducted for Uganda and unique in the sense that it focused on the gendered impacts of Uganda's tax system unlike the previous studies. The report identified the implicit and explicit gender biases emanating from Uganda's fiscal inequality. The biases were attributed to regressive tax systems, tax revenue leakages, unfair tax and investment incentives, lack of gender disaggregated tax data, inadequate budgetary allocation to the social sectors, and the impact of Covid 19 pandemic which are discussed in details as follows.

a) Regressive Tax Systems

The FTM report identifies Uganda's tax system as generally regressive, a higher portion of the tax burden was borne by the poor, mostly women and girls who spend more on consumption compared to men. Which was attributable to the country's overreliance on indirect taxes relative to direct taxes. The share of indirect taxes in total tax revenue was 64.4 percent in 2020/21[18]. This was higher than Africa's average of 51.9 percent[19]. The period between 2016/2017 to 2020/2021, however, indicated some slight decline of indirect taxes as a percentage of total tax revenue from 66.4% to 64.4%[20]. Uganda impose both progressive and regressive excise duty. Higher income households pay larger proportion of their income than lower income households. However, the case where a flat excise duty is imposed (0.5 percent excise duty) on money withdrawals disproportionately affect women, who are the majority users[21].

b) Tax Revenue Leakages

Illicit financial flow (IFFs) considered as any money or even capital that is illegally earned, transferred or utilised[22] was identified as a major source of tax revenue leakage for Uganda and most African countries. According to the Uganda FTM report, the country is estimated to

[17] Uganda FTM report 2021 https://femnet.org/wp-content/uploads/2022/04/Uganda-FTM-2021-Report.pdf\
[18] Uganda FTM report 2021 https://femnet.org/wp-content/uploads/2022/04/Uganda-FTM-2021-Report.pdf\
[19] https://www.oecd.org/tax/tax-policy/brochure-revenue-statistics-africa.pdf
[20] Uganda FTM report 2021 https://femnet.org/wp-content/uploads/2022/04/Uganda-FTM-2021-Report.pdf\
[21] Uganda FTM report 2021 https://femnet.org/wp-content/uploads/2022/04/Uganda-FTM-2021-Report.pdf\
[22] Https://Openknowledge.Worldbank.Org/Handle/10986/36308

lose more than UGX 2 trillion (US$547m) yearly due to IFFs[23]which is about 75 percent of her annual Transport and Works docket budget. The IFFs increase the intensity of a regressive tax system as the revenue gap is covered by the government's dependent on indirect taxes and budget cuts on social sector spending by the government. Consequently, women who contribute more to indirect taxes and rely on government's social sector services such as public education and health services are greatly affected by IFFs in Uganda and beyond. For instant, the 12 percent excise on internet data and telecommunication reduces the number of women users by increasing the cost of the services.

c) Excessive Tax and Investment Incentives

Tax and investment incentives have been granted by the Uganda's government to attract foreign direct investment over the years. However, the incentives result to huge revenue loss to government of up to 30% of total tax revenue equivalent to 3.6 percent of GDP, and more than national budget allocation for the health, water, agricultural, environment, and social development sector for 2019/20. Notably, tax incentives benefit high income earners and corporations that are largely owned by men and employ comparatively few women[24].

d) Lack of Gender Disaggregated Tax Data

The Uganda Revenue Authority (URA) does not provide gender-disaggregated tax data on tax. This can be attributed to lack of resources availed for collection and collation of sex disaggregated data and that the filing of tax returns does not give provision for indicating the gender of the taxpayer and income taxes are imposed on the basis of income only, irrespective of gender. Therefore, it is not possible to ascertain the gender statistics needed to facilitate gender analysis of tax revenue in Uganda.

e) Inadequate Budgetary Allocation to the Social Sector

Analysis of the government spending show that the budget share allocated to social sectors, agriculture, and water remained stagnant, at less than 30% national budget in Uganda[25]. Thus, the country is unable to meet its international and regional commitments that require allocation of at least 15%, 10% and 20% of the annual budget to health, agriculture and education sectors, respectively. Women and girls are largely dependent on these sectors therefore, inadequate budgetary allocation disproportionately affects them. Consequently, due

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[23] Https://Openknowledge.Worldbank.Org/Handle/10986/36308
[24] Https://Openknowledge.Worldbank.Org/Handle/10986/36308
[25] Uganda FTM report 2021.https://femnet.org/wp-content/uploads/2022/04/Uganda-FTM-2021-Report.pdf\

to limited funding, the proportion of the Uganda's population with formal education is only 3% with only 2.8%, and 2.3% of the working population are covered by the public service pensions scheme (PSPS) and National Social Security Fund (NSSF), respectively. In terms of promotion of gender equality with respect to government expenditure, Uganda has made some positive progress. The expenditure on education, health, agriculture, social protection, water and sanitation seems to be gender responsive, largely due to the legal requirement for all ministries, departments and agencies (MDAs) and local governments (LGs) to obtain a certificate of gender and equity (G&E) compliance before their budgets are appropriated by Parliament. The country's G&E assessment score stood at 70 percent in 2021/22 compared to 60 percent in 2017/18 marking positive progress in gender responsive expenditure.

g) The impact of Covid-19 on taxation and public spending

The Covid-19 had significant impact on taxation and public spending in Uganda. A notable effect was the significant reduction in government revenues and grants of about UGX 2,291bn (US$626m) hence missing the target of UGX 23,529.6bn (US$6.4bn) in the FY 2020/21[26]. Consequently, austerity measures were introduced which included cuts in spending on social sectors (education, health and social development), agriculture, and water and sanitation resulting to reduction of spending in the sectors which stood at 90%, 94%, 83%, 60%, and 81% for agriculture, education, health, water and environment, and social development, respectively[27]. These reduction in government spending disproportionately affected women and girls who depend on most public services, such as health facilities, more than men. Further, to bridge the revenue gap, in FY 2021/22 numerous tax measures were instituted by the government without evaluating their impact on people, especially low-income earners, majority of whom are women. For example, additional excise duty per litre of gasoline and diesel significantly increased the cost of transport, and hence most consumer commodities. This mostly affected women small scale traders who rely on public transport and also, they bear more the burden of consumption expenditures.

3.2 Recommendations of the Uganda's FTM Report

- ***Uganda's tax system***: The Ministry of Finance Planning and Economic Development (MoFPED) and Uganda Revenue Authority (URA) should consider fairness, inequality

[26] Uganda FTM report 2021.https://femnet.org/wp-content/uploads/2022/04/Uganda-FTM-2021-Report.pdf\
[27] Uganda FTM report 2021.https://femnet.org/wp-content/uploads/2022/04/Uganda-FTM-2021-Report.pdf\

and gender sensitivity in tax policy-making through the use of micro-simulation models, so that the potential impacts of policy choices can be better understood[28].

- ***Distribution of tax burden and progressivity***: Progressive tax measures that can increase tax revenue from wealthy individuals and corporations to provide funds for social programmes such as cash transfers to the most vulnerable.
- ***The URA to prioritize the collection and analysis of gender-disaggregated data***. Income returns forms need to capture gender to enable the analysis of direct and indirect effects of taxes/budget choices on poor people, women and vulnerable groups.
- ***Stress on progressiveness of personal income tax:*** The personal income tax entry threshold and tax rates for the high-income brackets need to be increased. Further, MoFPED and URA additional tax bracket(s) for highest earners should be introduced.
- **S*ufficiency of revenues and illicit financial flows:*** UG parliament to enact laws targeting Extractive Industries to comply with the Extractive Industries Transparency Initiative (EITI).
- ***Sharing of the benefits of oil and gas:*** Government to develop and implement policies that will guide the sharing of the benefits of oil and gas as stipulated in the Oil and Gas Revenue Management Policy 2012. The policy stipulates that 7% of royalty revenues arising from gross oil and gas production should be shared with local governments and communities.
- ***Tax competition and corporate incentives***: URA to pursue policies to guarantee higher tax revenue collections but which doesn't disproportionately fall on women led enterprises unequitable tax incentives need to be scrapped.
- ***Effectiveness of the tax administration***: MoFPED and URA staff to be trained to ensure they are able to embed gender equality and inclusion analysis in tax policies.
- ***Increasing spending on social sectors***: Government to focus more expenditure on key sectors such as education, health and social protection to cushion the vulnerable segments of the population.
- ***Transparency and accountability:*** Government to ensure those who misuse public funds are made to account for their actions. CSOs need to aggressively educate the citizenry to be more active in the public policy making process especially those on fiscal policies.

[28] Uganda FTM report 2021.https://femnet.org/wp-content/uploads/2022/04/Uganda-FTM-2021-Report.pdf\

4.0 A GENDERED REVIEW OF ZAMBIA'S FTM REPORT

4.1.1 Introduction

In this section, the findings from the Zambian FTM report are reviewed, discussed and presented using a gender lens to determine how women and girls are disproportionately affected by the Zambian tax regime, impeding them from realizing their full potential in accordance with SDG 5 that aims at ending all forms of discrimination against women and girls not only as a basic human right but also as a way of advancing economic growth and development. The World Economic Forum 2022 report, indicates that Zambia's Gender Gap Index (GGI) is 0.72, a significant indicator of the levels of access women have to resources and opportunities in comparison to men. The Same report ranks Zambia number 25 out of 36 among Sub-Saharan African Countries. According to the UNDP (2020), Zambia's Gender Inequality Index (GII) stood at 0.539 (where 0= full equality, 1= full inequality) ranking it number 137 out of 162 countries. In 2022, the World Economic Forum report shows Zambia's Gender Gap Index to be at 0.723.[29] (Countries are given a score of 0-1 where 0= full inequality, 1= full equality). The Global Gender Gap Index (GGGI), measures gender-based gaps based on four dimensions: economic participation and opportunity, educational attainment, health and survival and political empowerment.[30] This is a reflection of the deep-seated gender inequalities that are prevalent particularly in reproductive health, empowerment and economic activities.

(a) Regressive Tax Systems

To meet its budgetary deficit, Zambia is forced to over-dependent on indirect taxes (VAT, Customs and Excise Duties) which in their nature disproportionately fall on women and the poor in society. Zambia's FTM report indicates that indirect taxes such as VAT do not provide tax exemptions on basic consumption products such as food items, soap and menstrual hygiene. Notably, this has a negative impact on low income earners of whom a majority (56.7percent) are women. The proportion of indirect taxes against the total tax revenue was reported by the FTM to be at 49.2 percent.

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[29] https://www3.weforum.org/docs/WEF_GGGR_2022.pdf

[30] https://www.statista.com/statistics/1220485/gender-gap-index-in-sub-saharan-africa-by-country/

(b) Tax Revenue Leakages

Zambia's revenue insufficiency is attributed to rampant cases of tax evasion and IFFs. In 2020 alone, Zambia FTM report indicates that the Zambia Revenue Authority (ZRA) assessed USD 2.1 million in suspected tax evasion cases and an increase in the number of suspicious transactions to a tune of USD 288 million. While this is the case, according to the Zambian FTM report of 2022, there are no wealth and property taxes. While Men in Zambia own most of the wealth and property, an absence of wealth and property taxes impedes the redistribution of wealth from the rich to the poor and from men to women, yet wealth taxes are arguably a powerful mechanism that can be used to redistribute wealth from the rich to the poor and men to women.

(c) Overreliance on Foreign Debt

Zambia's external debt has been on an increasing trajectory overreaching 170.7 percent of GDP and taking a third of Zambia's state budget in 2020. Consequently, debt repayment severely constraints economic growth and also eats into the revenue that is supposed to meet the critical human needs especially those of girls and women such as health, education and other important services affecting human capital development particularly women and girls.[31]

Zambia's foreign financing exceeded 30 percent of public finances in 2019, constituting the largest single source of finance. The implication of this is over-reliance on foreign debt is that financing of gender equality interventions that include the provision of goods, (services and infrastructure that improve outcomes for Zambia's women and girls) is constrained. Financing gender equality in the context of development and democracy requires specific and focused attention to allocating budgetary resources for the education, health care, training, skills and entrepreneurial development that is necessary to improve the lives of girls and women and to promote the overall economic empowerment of women. [32]

(d) Gender Blind Tax Incentives

While the use of tax incentives is a strategy that is used by governments to incentivize targeted sectors of the economy, they are likely to cause unintended effects on other sectors, especially those touching on women and girls. Zambia provides lower CIT rates to different

[31] https://cuts-lusaka.org/pdf/policy-brief-highlights-from-the-zambia-fair-tax-monitor-report.pdf

[32] https://www.oecd.org/dac/gender-development/38831071.pdf

industries including agriculture which is the largest employer of women and girls but it is not gender deliberate making it difficult for women to benefit from these incentives. Additionally, CIT rates often advantage men while the tax burden is shifted to consumption taxes that directly affect women and girls. Whereas other non-tax policy interventions are likely to directly address these issues, tax policies play a role of incentivising women's engagement in work and pursuit of education as an empowering tool. Tax reforms with a gender lens can therefore help by removing any relatively stronger discouragement to working for women,[33] A World Bank global report states that the loss in terms human capital wealth due to lack of gender responsiveness in economic drivers (fiscal policy, public finance, debt sustainability, monetary policy, exchange rate management, financial market regulation, trade reform and the negotiation of trade agreements) associated with a declining economy is estimated at $160.2 trillion, if it is simply assumed that women would earn as much as men.

(e) Lack of Sex Disaggregated Data

Informed gender responsive tax policy reforms to a large extent depend on the availability gender disaggregated data in order to mitigate the effects of implicit and explicit gender biases within the tax regimes. Zambia's FTM reports an absence of gender analysis, a process that is supposed to generate information that can be used to address disparities, challenge systemic inequalities (most often those faced by women), and build efficient and equitable solutions in Zambia's tax regime. A scarcity in generation and access to sex disaggregated data impedes processes of conducting informed gendered impact assessments of existing tax policies with a view to making reformations.

(f) Under Representation of Women in Tax Administration and Decision Making

Zambia like many other countries in Africa, men dominate the public sphere leaving women marginalized and under-represented in many sectors of the economy including the revenue sector. The 2020 FTM states that women in senior management in ZRA in 2018 comprised 8.7% of the total number of managers within the ZRA. In 2019, there was no single woman in senior management in ZRA. A slight improvement was recorded in 2020 where women in senior management comprised 20% of the total number of managers. The overall representation of women in the entire ZRA was highest in 2020 at 38.1%. This can only be interpreted that women were not only underrepresented in number but a majority of those who were employed in ZRA occupied the lower cadres while a few made it into positions of decision making.

[33] https://www.imf.org/-/media/Files/Publications/WP/2022/English/wpiea2022026-print-pdf.ashx

(g) The Burden of Unpaid Care Work

Globally, women are known to bear a disproportionate share of the responsibility of looking after households, caring for children and dependents.[34] It is one of the main reasons why 42% of women around the world are outside of the paid workforce, compared to 6% of men.[35] While unpaid care work is important especially in its contribution to welfare of the nation, it remains ignored in Zambia. The Zambia FTM report indicates that care work has not been recognized since 2017 when the Ministry of labour stopped the practice.

(h) The Impact of Covid 19 on Public Spending

According to the Zambia FTM report, Covid-19 impacted an already struggling economy contributing to a reduction in the GDP by 4.2 percent as well as public spending. The most impacted sectors were education, transport, catering and accommodation. Consequently, this reduction contributed to the widening of the gender gap in terms of accessing health care services, security and social protection. The pandemic exacerbated the already vulnerable condition of many women and girls without earnings and their condition further compounded by increasing food and energy prices as well as interest rates, a situation that pushed many women into poverty. Compared to men, women were 19 percent likely to go without earnings in a week prior to the pandemic. This therefore necessitates a deliberate funding of policies that can fight inequality, poverty in emergency situations without infringing on the rights of women and girls.

4.1.2 Policy Recommendations from Zambia's FTM Report

- Enhance progressivity in taxes by reducing unjustified corporate taxes and incentives by making the personal income tax more progressive where high income earners are taxed more.
- The tax base can be increased by making the informal sector that is the largest employer of women formal. This would provide women who are mostly employed in the informal sector more income to contribute more revenue to government.
- Need for gender responsive policies on taxation as well as a generation of gender disaggregated data and gender needs assessment on impact of tax policies and related measures to inform target interventions geared at increasing fairness.

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[34] https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/13066/ICTD_SumBrief%236_OnlineNew2.pdf?sequence=1&isAllowed=y

[35] ILO (2018). Care Work and Care Jobs for the Future of Decent Work. \ps/public/---dgreports/---dcomm/---publ/ documents/publication/wcms_633135.pdf

- A need impact assessment of tax systems on women and girls especially on the effect of indirect taxes on women's spending given that that they are in charge of household goods that are predominantly purchased by women.
- There is a need for deliberate policies that recognize care work especially by the Ministry of Labour.
- A need for intentional reforms and policies that address gender disparities arising from poor performing economies and/or naturally occurring calamities while at the same time cushioning women and girls from economic crises and unprecedented pandemics.
- A reinstatement of the Ministry of Gender that was initially mandated with the role protecting and promoting women's rights and reducing gender inequalities.
- A need for policies that address structural barriers that hinder women's progression into positions of decision making.

5.0 REVIEW DOCUMENTS ON GENDER AND TAX IN AFRICA

5.1 Introduction

The review of the Ugandan and Zambian Fair Tax Monitor (FTM) reports of 2022 carried out in the previous section is corroborated by other studies drawn from across African countries and voices from key informants interviewed across Africa including; Sudan, Kenya, Uganda, Tanzania, Liberia, Mauritius, Zambia, East African Legislative Assembly (EALA), Nigeria, Malawi, Lesotho, and Common Markets for Eastern and Southern Africa (COMESA) secretariat. The rationale for this section is to generate evidence from across Africa that informs a regional fiscal policy for women and girls that is all inclusive and representative of the diversities of the different tax regimes across the continent.

Tax revenues are critical for a country's development, especially, as the main source of government revenue that finances provision of public goods and services. Most African countries are often faced with revenue shortfalls due to inability to mobilise sufficient domestic revenue to meet their expenditure requirements. Women and girls are often inadvertently affected by the inability of the African governments to meet their revenue requirements. Often, measures are taken to address the budgetary deficit such as cutting down on expenditure or under-financing of the social sectors, introduction of tax measures that are largely regressive, attempts to attract foreign direct investment by unfair tax and investment incentives among others. These are discussed in detail as follows:

i) Tax Incentives

Tanzanian: Tanzanian government re-instated tax on sanitary pads in the 2019/2020 budget, which had disproportionate effect on girls and women[36]. The justification was that the tax exemption did not guarantee "better menstrual health management." There was no reduction in the retail price of sanitary pads. The government therefore opted to reduce the corporate income tax by 5 percent for a local investor who manufacture the pads locally.

Tanzania loses significant revenue to harmful tax incentives to multinational companies and illicit financial flows estimated at US$ 531.5m annually[37].There is need to review all tax incentives and tax treaties, and ensure enhanced transparency of corporate affairs, including

[36] https://globalvoices.org/2019/06/29/tanzania-reinstates-controversial-sanitary-pad-tax/

[37] https://publicservices.international/resources/news/no-longer---trade-unions-in-tanzania-take-a-stand-to-end-tax-injustice?id=7992&lang=en

through public registers on beneficial ownership of companies and trusts[38]. Further, there is need for the Government to make public the current tax incentives - including discretionary incentives and a review of existing statutory tax incentives through cost benefit analysis with an aim of eliminating harmful incentives. The Tanzanian Government was called upon to halt further discretionary tax incentives until an audit is undertaken to assess and justify their benefits to the economy; All tax incentives should be subject to public scrutiny including by parliament, trade unions, civil societies, media and public participation[39].

Ethiopia: Similarly, norms limiting women's role in agriculture and gender agricultural productivity gaps are likely to result in lower consumption resulting into a higher tax burden for female-headed households than for male-headed households. Reducing the tax rates for smallholders can diminish the gender difference in tax burdens, but the tax continues to be regressive. This highlights the difficulty of area-based land taxes to be vertically equitable. Text Box 1 and 2 present views of KII respondents on tax exemptions and gender sensitive taxes respectively.

Text Box 1: Views of KII Respondents on Gender Responsiveness of Tax Exemptions in Place

KII) -(CSO) Uganda: They reduce the prices of medical health thus making it affordable to women and girls
though it is also advantageous to men
KII –(Academia)Nigeria: They have no specific but only in some cases it may have positive effects particularly on
baby products
KII – (Revenue Officer) Liberia: the sector with tax exempts for instance hospital packages and women and girls' pads, are exempts. This positively increase access of pads to the women and girls as they face menstrual cycle. However, the prices of these pads are still higher, thus a need to have free pads in the community is vital

38 https://publicservices.international/resources/news/no-longer---trade-unions-in-tanzania-take-a-stand-to-end-tax-injustice?id=7992&lang=en
39 https://publicservices.international/resources/news/no-longer---trade-unions-in-tanzania-take-a-stand-to-end-tax-injustice?id=7992&lang=en

Text Box 2: Views of KII Respondents on Existence of Gender Sensitive Tax Incentives

***KII** – (CSO)**Sudan:** Yes: VAT exemptions and zero rate on Baby formula, sanitary towels, feeding bottle*
***KII** –(Academia) **Mauritius:** Taxes are not gender sensitive*
***KII** – (Revenue Officer) **Liberia:** There are no gender sensitive tax incentives that specifically target women and girls*
***KII -EALA:** I do not think so. For example, Kenya has repealed tax on sanitary products but these products still remain expensive*
***KII** –(Academia) **Nigeria:** There are no gender sensitive taxes*

Regressive Tax Systems in Africa

In Nigeria, the tax system is largely regressive while at the same time taxes are spent in an unfair and inefficient way[40].

Morocco: According to findings from the African Tax Administration Forum (ATAF) 2022, they revealed that Morocco was the only country that exhibited explicit bias through its personal income tax regimes (PIT) that required women to show evidence of relationship with dependents before they could benefit from deductions.[41]

South Africa: In South Africa, the tax system continues to display implicit gender bias against women. Value Added Tax (VAT) being the second largest contributor to national revenue after Personal Income Tax (PIT), is regressive and therefore places the tax burden disproportionately on poorer women.[42] According 2018/2019 statistics from the National Treasury and South African Revenue Service, 54.5% of assessed taxpayers were male while 45.5% were female. Females earned 22.6% less than males as measured by taxable income and were liable for 39.2% less than males. Notably, more women were concentrated in the lower tax brackets and were poorly represented in the maximum tax brackets as only 13% of top tax earners were female. [43]

[40] https://www-cdn.oxfam.org/s3fs-public/file_attachments/cr-inequality-in-nigeria-170517-en.pdf
[41] https://events.ataftax.org/index.php?page=documents&func=view&document_id=158&_ga=2.13803831.1625337019.1660198662-1212310872.1659359167
[42] https://repository.up.ac.za/bitstream/handle/2263/80447/Jaffer_Women_2020.pdf?sequence=1&isAllowed=y
[43] https://repository.up.ac.za/bitstream/handle/2263/80447/Jaffer_Women_2020.pdf?sequence=1&isAllowed=y

Tanzania: Tanzania's Government revenue was estimated at 14-15% of GDP in 2017 and the annual budget deficit 4% of GDP[44].

Text Box 3: Views of KII Respondents on Specific Taxes that Disadvantage Women and Girls

KII *– (CSO)**Uganda:** VAT, Personal Income Tax (PAYE)*
KII -EALA: *VAT for women who do unpaid work*
KII *– (Revenue Officer)* ***Kenya:*** *VAT and Custom taxes*
KII -EALA: *VAT for women who do unpaid work*
KII *– (Customs)**Tanzania:** Excise duties, corporate profit taxes and income taxes (Taxes on wages of employed women and girls).*

Text Box 3 and 4 present the views of KII respondents on specific taxes in African countries that disadvantage women and how they disadvantage women and girls respectively.

Text Box 4: Views of KII Respondents on How Taxes Disadvantage Women and Girls

KII-EALA*: who do unpaid work depend on contributions given to them to finance their personal and family needs- paying VAT on consumption goods for them means that they are unable to save a portion from their contributions – in the long term, they remain financially dependent and forced into unpaid work.*
KII *– (Academia)* ***Kenya:*** *Some feminine products such as sanitary towels are expensive due to taxes*
Payment VAT on products only used by women is discriminatory
Women are the main bearers of consumption budgets and thus bear more on VAT
KII- *(Customs)**Tanzania:** The aforementioned taxes are disadvantageous as they tend to lower the income base of the women and girls hence affecting their ability to proceed on doing business. Sometimes these taxes are levied on uncertainty basis and unproductive basis.*
KII-Mauritius: They are regressive, apply a standard rate across irrespective of ones income
KII- *(CSO)**Sudan:** Single mother, who are many, are taxed at the same rate as couple leaving them with less disposable income.*
Single mothers and women should be granted tax rebates
School drop outs attributed to high cost of sanitary pads

Tax Revenue Leakages in Africa

Although Tax evasion and avoidance is a global phenomenon, it is more prevalent in the African continent which losses over US $50 billion in illicit financial flows annually[45].

[44] http://www.imf.org/external/pubs/ft/weo/2017/01/weodata/weorept.aspx?sy=2015&ey=2022&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=48&pr1.y=11&c=738&s=PCPIPCH%2CTM_RPCH%2CTXG_RPCH%2CLP%2CGGR_NGDP%2CGGXCNL_NGDP%2CGGXWDG_NGDP&grp=0&a=#cs2

Women bear the greatest burden of tax avoidance and evasion in developing countries since they are less involved in the practice and pay the price as a result of increases in indirect taxes to bridge the revenue gap[46].

Nigeria: The African Development Bank and Global Report indicates that Nigeria loses resources through IFFs incurred through corporate tax avoidance. This is done through abusive transfer pricing mechanisms where companies manipulate a transfer price in order to shift profits from a higher tax jurisdiction to a lower tax jurisdiction. IFFs undermine revenue generation and reduce the benefits of economic activities in Africa, negatively affecting the continent's ability to mobilise resources generated to sustainably fund developmental goals.[47] This is mostly accompanied with increase in indirect taxes as a means of raising more tax revenue to bridge the gap thus disadvantaging women since they bear the heaviest burden of consumption budget.

Ghana lost a substantial proportion of tax revenue through tax avoidance and evasion estimated at GH₵ 47 billion (49%) of tax revenues collected between 2007 to 2017, and 34% of Government Budget, almost equal to amount utilised for provision of social services[48]. Tax evasion and avoidance have been noted to negatively affect the ability of the Ghanaian government to facilitate development for women and girls, by reducing revenue available for provision of public services. This is despite the women's enormous contribution to the country's economic development[49]. Attempts have been made through national legislations and policies to empower women and enhance their participation in public service provisions, however, full implementation is yet to be realised. Gender gaps are still evident in the educational and health sectors calling for urgent attention of investment and policy direction, since women and girls still trail men in terms of acquisition of basic and secondary school education[50]. Text Box 5 presents the views of various key informants on prevalence of tax evasion in Africa.

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[45] UNECA (2015). High-Level Panel on Illicit financial flows from Africa

[46] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf
[47] https://www-cdn.oxfam.org/s3fs-public/file_attachments/cr-inequality-in-nigeria-170517-en.pdf
[48] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf
[49] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf
[50] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf

Text Box 5: Views of KII Respondents on Prevalence of Tax Evasion and Perpetrators

KII *– (CSO)* ***Uganda:*** *Tax Evasion and avoidance are prevalent in the country*
Men are the main perpetrators because they own multinational companies
KII *– (CSO)* ***Sudan:*** *Tax fraud is rampant in Sudan and Africa at large*
The main perpetrators are men, elite business people (majority men), and government Officials.
KII *– (Academia)* ***Nigeria:*** *Tax evasion and avoidance are rampant in the country mainly propagated by*
*e*stablished companies mostly in the oil business
KII – (*Academia)* ***Mauritius:*** *Tax evasion is rampant in the country and there is also too much circulation of drug*
drug money in the economy
Men are the main perpetrators, elite business people, government officials

Inadequate Budgetary Allocation to the Social Sectors

In Africa, women and girls face a myriad of challenges including but not limited access to public services provision such as education, health, water, and sanitation. Available public services are overstretched because of high population growth with women being the majority hence exposed to discrimination and violence[51]. International Labour Organization (ILO) estimates that 62.5% of women in Africa were employed in the agricultural sector in 2012 compared to 61.8% of men[52]

Ghana: Ghana's total national budget for 2007 to 2017 stood at GH ₵ 140 billion. Investment in education, health, water and sanitation for the same period was ₵ 51 billion accounting for 37% of the total budget[53].

Nigeria's budgetary allocation to the education, health and social protection (the three critical areas that tackle inequality) is among the lowest in the region. For instance, in 2012, 6.5% of the budget was allocated to education, 3.5% to health and 6.7% to social protection.[54]

Tanzania: In terms of literacy level in Tanzania, 27 percent of women are illiterate. The countries education sector's budget was 3.5% of total GDP in 2019 below the 4-6% range

[51] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf
[52] International Labor Organization 2012
[53] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf
[54] https://www-cdn.oxfam.org/s3fs-public/file_attachments/cr-inequality-in-nigeria-170517-en.pdf

UNESCO recommends[55]. There is therefore need for the government of Tanzania to increase budgetary allocation for the education sector and mobilise additional domestic revenue. This will guarantee quality education, specifically for girls to secures their right to education, and by extension empower them to contribute to economic growth post education as it is estimated that educated girls contribute 18 percent more the country's GDP each year more than those without education.[56]

Nigeria: The Abuja and Incheon Declarations recommend that African governments spend at least 15% of their national budget on health and another 15% minimum of their national budget, or 4-6% of GDP on education[57].

Rwanda: Rwanda is one of the densely populated countries in sub-Sahara Africa with large family size, and high fertility rates (TFR) ranging from 3.6 in urban to 4.3 in rural areas[58]. High fertility rate poses health challenges on children and their mothers which detracts them from human capital development and thus hinder women capacity to contribute to economic activities The Government of Rwanda in an attempt to manage the population and lowering population growth though family planning. Consequently, investment in Family Planning may result to short-, medium and long-term benefits across several sectors of the Rwandan economy, such as Education, Health, Agriculture, Infrastructure among others. There is therefore need for additional domestic funding for Family Planning activities, due to the multi-sectoral potential benefits. Among the notable potential benefits are; manage rapid population growth, reduce poverty and achieve development goals enshrined in the Vision 2020 development blue print, the National Strategy for Transformation (NST1), and Rwanda Vision 2050 long term development plan[59]. It is estimated that every US$1 invested in Family Planning in Rwanda will yield between US$65 and US$113 returns between 2015 and 2050, spread across the different sectors, with the greatest savings accruing to the health sector[60]. Text Box 6 presents the views of KII respondents on how tax evasion impact women in Africa.

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[55] http://datatopics.worldbank.org/education/country/tanzania
[56] https://actionaid.org/sites/default/files/publications/tanzania_policy_brief.pdf
[57] https://www-cdn.oxfam.org/s3fs-public/file_attachments/cr-inequality-in-nigeria-170517-en.pdf
[58] https://fp2030.org/sites/default/files/Our-Work/Advocacycso/Business_Case_FP_Rwanda.pdf
[59] https://fp2030.org/sites/default/files/Our-Work/Advocacycso/Business_Case_FP_Rwanda.pdf
[60] https://fp2030.org/sites/default/files/Our-Work/Advocacycso/Business_Case_FP_Rwanda.pdf

Text Box 6: Views of KII Respondents on How Tax Evasion Impact Women in Africa

***KII** –(CSO)**Sudan:** Tax evasion affects women both directly and indirectly*
For the government to recover the stolen money, the commodities mostly used by women previously exempted or zero rated
***KII** – (Academia) **Mauritius:** Yes, Tax evasion affects women and girls indirectly*
They are not involved in large numbers
They bear the burden of bridging the revenue gap
***KII** – (Customs) **Malawi:** Tax evasion has a negative impact on the development of countries in Africa because*
most countries depend on tax for revenue
***KII** – (Customs)**Tanzania:** Yes, because the tax evasion lowers tax revenue to be collected by the government for important spending to women based social services such as hospitals, maternal services, roads, Water facilities, Electricity and all social services which directly and indirectly affect the livelihood of a woman*

Gender Responsive Budgeting

South Africa: has two attempts of practising gender budgeting which resulted to significant fiscal policy and administrative changes. Some of the notable changes included zero rating of commodities and services dear to women such as paraffin in the VAT in 2001, the Child Support Grant to primary caregivers, the increase in the budget allocation for small, medium and micro enterprises, and equalization of the amount spent on prison rations for male and female prisoners[61]. Nevertheless, The IMF's survey of gender-responsive budgeting efforts in Sub-Saharan Africa that was conducted in 2016 established that the initiatives lost momentum despite the government's assurance of its commitment to promoting gender equality and addressing women's needs[62].

Ethiopia: Ethiopia initiated gender budgeting in 2008 following the development of a manual for its implementation by the Ministry of Finance and Economic Development' Gender Department and the Ministry of Education, in partnership with UNICEF Ethiopia and the British Council[63]. The key aim of gender budgeting in the country was to increase female school enrolment. To achieve this, the Prime Minister's Office and Ministries of Education and Women's Affairs, Parliament, local governments, and schools were issued with

[61] https://www.imf.org/external/pubs/ft/wp/2016/wp16152.pdf
[62] https://www.imf.org/external/pubs/ft/wp/2016/wp16152.pdf
[63] https://www.imf.org/external/pubs/ft/wp/2016/wp16152.pdf

guidelines and checklists to use for planning and budgeting for girls' education[64]. Further steps were taken to enhance gender budgeting in 2011/12, when a share of the federal budget was allocated to achieving the Millennium Development Goal targets, many of which address women's needs.

Ghana: In terms of national budget, in 2014 Ghana adopted Program Based Budgeting (PBB) that ties planned expenditures to a set of policy objectives. Ghana's national budget recognizes the different roles that men, boys, women and girls play in the economy. Further, Gender Responsive Budgeting was piloted in key sectors critical to women which included health, agricultural and education in 2009. However, the implementation was faced with challenges which include inadequate gender budget experts, capacity constraints and technical support hence yet to reach full potential[65]. The purpose of Gender Based budgeting in Ghana is guarantee recognition and consideration of gender matters when developing tax, revenue, budget spending policies and other fiscal policy related activities[66].

Text Box 7: Views of KII Respondents on Gender Responsiveness of Government Expenditure

KII* – *(CSO)* *Uganda: *Government expenditure is not gender responsive.*
No commitment partly because everything has been left to the ministry of finance yet the ministry of gender could give insightful information that would inform these expenditures targeting key areas affecting women
KII *– (Revenue Officer)* ***Kenya:*** *Not specific*
KII –(Revenue Officer)Liberia: *The allocation of government expenditure on the social sector is very minimum and it*
is not gender responsive.
KII -(Customs) Tanzania: *The government do allocate its budgets basing on the priorities of the existing leadership regime. Be as it may, Allocation are done to different government sectors, such as education, health, transport, water, tourism, mining, Agricultures*
KII - (Academia) Mauritius: *There is Ministry of Gender Empowerment and Children's right. However, the budgetary allocation for addressing gender issues is not much*
KII – (Academia) Nigeria: *Government expenditure is non-discriminatory.*
KII – (Customs) Malawi: *The government provides for funding for women and girls issues in education, health, environment, water etc*

The views of key informants on gender responsiveness of the government expenditure in various African countries are presented in Text Box 7.

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[64] https://www.imf.org/external/pubs/ft/wp/2016/wp16152.pdf
[65] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf
[66] https://www.world psi.org/sites/default/files/documents/research/2018_en_informe_ghana_genero.pdf

The Burden of Unpaid Care Work

South Africa: On reduction of the burden of the unpaid care work, South Africa has made significant progress by incorporating more women in professional positions that grant them opportunity to utilize some of the provisions of the PIT Act and amendment of the Act to factor the specific needs of women[67]. The Katz Commission was established to look at gender issues with regards to taxation and resulted numerous reforms in the tax system aimed to benefit women[68].

Arguably, public institutions have been unable to use the limited resources available in an effective way.[69] In a study conducted by the McKinsey Global Institute MGI, the cost of making sufficient investments in five areas (education, family planning, maternal mortality, digital inclusion and unpaid care work) could amount to $1.5 trillion to $2.0 trillion in incremental public, private, or household annual spending in 2025, or 1.3 to 1.7 percent of global GDP in that year. This is 20 to 30 percent more than what would be spent in a business-as-usual case in 2025 (as a result of rising population and GDP).[70] The economic benefits of narrowing gender gaps are six to eight times higher than the social spending required. And it is not just countries that stand to gain from investing in women and girls.[71]

UNDESA/UNRISD: Nevertheless, the burden of care work substantially constrains women's time restricting their participation in social, economic and political spaces. Simultaneously, the need for care in the world is escalating, with 33.2 million people worldwide who are estimated to be living with HIV/AIDS, leaving large numbers of children orphaned and vulnerable.[72] Moreover, United Nations Department of Social Affairs (UN DESA) reports estimate that the number of persons aged 65 years and above is projected to reach 1.5 billion by 2050 with the latest projections indicating that the number of people aged 80 and above

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[67] https://www.imf.org/external/pubs/ft/wp/2016/wp16152.pdf
[68] https://www.imf.org/external/pubs/ft/wp/2016/wp16152.pdf
[69] https://www-cdn.oxfam.org/s3fs-public/file_attachments/cr-inequality-in-nigeria-170517-en.pdf
[70] https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects
[71] https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects
[72] https://books.google.co.ke/books/about/Cutting_Edge_Pack_Gender_and_Care.html?id=9gBiY01XNtsC&hl=en&redir_esc=y

will triple in the next 30 years.[73] This is indicative of the fact that the burden of care work is likely to increase proportionally to increasing aged populations and other dependent persons. Based on a UNRISD Research and Policy Brief 9, Why Care Matters for Social Development. Calculations based on six countries in the United Nations Research Institute for Social Development (UNRISD) study carried out in South Africa, Tanzania, Argentina, Nicaragua, India and the Republic of Korea, it is estimated that if women's unpaid work were assigned a monetary value, it would constitute between 10% and 39% of GDP.[74] Other studies show that reducing the household time burdens on women could increase agricultural labour productivity by 15% and capital productivity by as much as 44% in some countries.[75] According to ILO (2018), an investment in long term care of 2.45% GDP could create 184 million jobs, with women benefiting from as much as 78% of this employment increase, reducing the gender gap in employment by 7.4%.[76]

Under-representation of women in tax administration and decision-making processes

There are very few women sitting at the decision-making table. According to research, women's voice, access, or participation in decision-making leads them to have actual influence over decisions and outcomes. Additionally, they are likely to champion issues that affect women gender equality.[77] Women are underrepresented in senior and technical roles in most tax authorities. Tax administrations need more women in leadership and technical positions. Recruiting more female tax collectors could tackle harassment and sexual abuse; creating safe taxpaying spaces, reforming tax collection arrangements and designing grievance systems. Supporting digitization within tax administration designed from a gender perspective would reduce harassment.[78] The issue is not just their numbers, but also their relative influence once in position.[79]

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73 https://www.un.org/development/desa/en/news/population/our-world-is-growing-older.html#:~:text=Today%2C%20there%20are%20703%20million,1%20in%2011%20in%202019.

74 UNRISD Research and Policy Brief 9, Why Care Matters for Social Development. Calculations based on six countries in the UNRISD study: South Africa, Tanzania, Argentina, Nicaragua, India and the Republic of Korea.

75 OECD 2008 "Gender and Sustainable Development: Maximising the Economic, Social and Environmental Role of women" pp.18-19.

76 https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_633115/lang--en/index.htm

77 Pilar Domingo et.al., (2015). Women's Voice and leadership in decision-making. Overseas Development Institute. London. https://cdn.odi.org/media/documents/9636.pdf

78 https://opendocs.ids.ac.uk/opendocs/bitstream/handle/20.500.12413/17487/K4D_BTaxGender_Brief_FINAL%20%28Updated%29.pdf?sequence=3&isAllowed=y

79 Quak, E. and Smith, B. (2022) Gender and Tax: Gender Equality Meets Economic Growth, K4D Policy Brief, Brighton: Institute of Development Studies, DOI: 10.19088/K4D.2022.028. https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/17487/K4D_BTaxGender_Brief_FINAL%20%28Updated%29.pdf?sequence=3&isAllowed=y

Although there is no global baseline on women's participation in tax administration, existing research from the United Nations Development Programme (UNDP) shows that women are under-represented, especially in leadership and decision-making roles. The available data suggests that women make up on average 45% of public administration, yet there is high variation of women's participation across countries, ranging from 3% to 77%. The overall share of women in public administration is highest, on average, in OECD countries at (55.1%), and lowest in Africa at (25.1%).[80]

The impact of Covid-19 on tax related Gender Inequalities

The onset of Covid-19 exposed vulnerabilities in social, political and economic systems across countries in Africa. According to MGI, as Covid-19 continues to affect lives and livelihoods around the world, its economic effects are already having a regressive effect on gender equality.[81]

Covid-19 has greatly negatively impacted on the social, political and economic spheres of many developing economies. The COVID-19 pandemic has eroded the gains already made in women empowerment. Loss of job opportunities, shrink in access to education and contributed to a rise in gender-based violence[82]. Social and economic challenges such as virus infection and income loss are likely to impact negatively on women more than men.[83] Nearly 75% of women in Africa eke out their living from the informal sector in areas such as the informal cross-border trade, street vendors and domestic which are all workers plagued by low-earnings and limited job security.[84] However, lock-down policies such as border and business closures, and travel restrictions have exacerbated poverty situation of women.

While governments have combined their efforts to contain the spread of the virus, critical maternal health care services such as Antenatal care, post-natal care (PNC) and skilled birth attendant have largely been ignored thus, portending to higher maternal and child mortalities

[80] https://www.iknowpolitics.org/en/discuss/e-discussions/women-public-administration

[81] https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects

[82] Gender Equality and COVID-19:Policies and Institutions for Mitigating the Crisis - https://www.imf.org/-/media/Files/Publications/covid19-special-notes/en-special-series-on-covid-19-gender-equality-and-covid-19.ashx

[83] https://read.oecd ilibrary.org/view/?ref=127_127000-awfnqj80me&title=Women-at-the-core-of-the-fight-against-COVID-19-crisis

[84] https://www.ohchr.org/sites/default/files/Documents/Events/COVID _19_and_Women_Rights 7 Possible_Actions.pdf

in future. The pandemic is worsening the already existent inequalities in the social, political and economic systems.**[85]**

In a longitudinal study in Ghana, Nepal, Nigeria, Senegal, Kenya, Niger and Uganda, income loss resulted as a result of COVID-19 infections and deaths.[86] Food and water insecurity was also disproportionately high among women than men. In Kenya, the COVID-19 pandemic led to income loss and other sources of livelihood for more women (20%) than men (12%)[87]. To enable families cope with these losses of welfare, the government of Kenya together with the private sector provided cash transfers, medicine and foodstuffs to those who were vulnerable. Female headed households were the worst affected when it comes to food insecurity and income loss[88].

This notwithstanding, more women than men in both urban and rural areas reported lower household monthly expenditure per month pre-COVID. The low household expenditures are likely to have worsened post-COVID.[89] A study by the Kenya National Bureau of Statistics (KNBS) undertaken three months from the onset of the pandemic indicated that 62 percent of Kenyans had not reported to work since March 2020, whereas 78 percent of respondents were not sure of their return to work. Women's absenteeism from work was associated with movement restrictions in place. The pandemic affected labour force participation with a decline reported between 2019 and 2020.[90]

According a study by UN Women through its global gender data programme Women Count, in partnership with UNFPA, in a 28-country study, more than 60 per cent of women and men in Ethiopia, Kenya, Malawi, Mozambique, and South Africa experienced a complete loss or decline in personal incomes due to the pandemic, deepening already high poverty rates in many countries and entrenching the gender disparity of women being more likely than men to live in extreme poverty.[91] Even though there are differential socio-economic impacts on

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[85] https://www.un.org/sexualviolenceinconflict/wp-content/uploads/2020/06/report/policy-brief-the-impact-of-covid-19-on-women/policy-brief-the-impact-of-covid-19-on-women-en-1.pdf

[86] https://ebrary.ifpri.org/utils/getfile/collection/p15738coll2/id/135042/filename/135253.pdf

[87] Covid 19_Gender_Assessment_Kenya_full_report.https://kenya.unfpa.org/sites/default/files/pub-pdf/covid-19_gender_assessment_kenya_full_report.pdf

[88] https://ebrary.ifpri.org/utils/getfile/collection/p15738coll2/id/135042/filename/135253.pdf

[89] https://kenya.unfpa.org/sites/default/files/pub-pdf/covid-19_gender_assessment_kenya_full_report.pdf

[90] https://www.icrw.org/wp-content/uploads/2022/03/Gendered-Impact-of-COVID-19-on-Women-Workers-in-the-Informal-Sector-Kenya_Final.pdf

[91] https://data.unwomen.org/news/new-report-sounds-alarm-impact-covid-19-gender-equality-east-and-southern-africa

women and men during the pandemic, with men in some cases being more affected than women, the emerging evidence suggests that the pandemic has exacerbated existing inequalities between women and men in the different socio-economic groups.[92] In a World Bank report, 6 out of 10 countries in Sub-Saharan Africa institutional deliveries dropped below pre-pandemic levels. More women than men reported losing their jobs and an increase in domestic work in Mali, Senegal, Guinea, Cote d'voire, Ethiopia, Kenya, Malawi, Mozambique, Eswatini and South Africa. [93] This was attributed to the fact that many women

Text Box 8: Views of KII Respondents on Gender Responsiveness of Measures against Covid-19

***KII* – *(CSO)* Uganda:** Not effective at all because they did not target women and girls
KII –(*Revenue Officer) **Kenya:** Not so effective as they were short term and not put in place with gender issues in mind*
KII* – *(*Revenue Officer)* ***(Liberia:*** *The measure was widely welcome and it reduced the risk of civil servants contracting the disease, but did not have gender considerations.*
KII *–(Academia)* ***Mauritius:*** *They were very effective*
KII *– (CSO)* ***Sudan:*** *The measures were effective*

in Africa work in less secure and lower paying jobs than men make them more vulnerable to job loss and wage reduction in crises like Covid-19. Text Box 8 presents the views of various KII respondents on measures taken by countries to mitigate the adverse effects of Covid-19.

92 https://reliefweb.int/report/world/impact-covid-19-gender-equality-and-women-s-empowerment-east-and-southern-africa
93 https://www.worldbank.org/en/news/infographic/2022/05/25/assessing-the-damage-early-evidence-on-impacts-of-the-covid-19-crisis-on-girls-and-women-in-africa

6.0 DISCUSSION OF FINDINGS

Uganda, Zambia FTM reports and cases from other African countries

Regressive Tax Systems

The FTM reports for both Uganda and Zambia identified the two countries' tax systems to be largely regressive. The countries were noted to be over relying on indirect taxes such as VAT and excise taxes relative to direct taxes such as pay as you earn and corporate income tax. Review of literature on tax systems for other African countries confirmed the findings of the two FTM reports. That over reliance on indirect taxes cut across Africa. The indirect taxes are known to disadvantage low income earners especially women and girls who spend a large proportion of their income on consumer goods. The implication of this is tax injustice against women and girls in the continent. Various KII respondents identified VAT as the main tax that disadvantage women across Africa. Further they identified ways through which women and girls are disadvantaged by the indirect taxes to include women being the main bearers of consumption budget at household level, some commodities solely used by women e.g. sanitary towels are subject to VAT hence discriminatory. There is therefore urgent need for African countries to shift their reliance to direct tax such as income tax, capital gains tax, property taxes, and corporate income taxes which are progressive. This would guarantee fiscal tax justice for women and girls in Africa.

Tax Revenue Leakages

Illicit Financial Flows (IFFs) was reported in the two FTMs to be a major source of revenue leakage in Uganda and Zambia as well as in majority of other African countries. The KII respondents identified that the main perpetrators of the vice were the multinational businesses, tax revenue officials and established businesses such as contractors and oil companies. All these are mainly owned by men and therefore, discriminatory against women. This has been linked to institutional weaknesses of the revenue authority, and the overall financial systems of the African countries. The IFF are known to result to revenue shortfalls forcing the countries to shift their reliance on indirect taxes which disproportionately increase expenditure of women and girls hence fiscal injustice on them a fact that was supported by the KII respondents. Generally, Africa loses about USD89 billion in illicit financial flows which comprise tax evasion practices[94]. There is therefore, a direct link between gender inequality and revenue insufficiency occasioned by illicit financial flows.

Excessive Tax and Investment Incentives

The Uganda and Zambia FTM reports indicate that the two countries grant numerous and huge tax and investment incentives that results to huge revenue loss that can meet the social sector budget in some countries e.g. Uganda. This is the same case in other African countries as well. The incentives are known to benefit more men than women as majority of the owners and management teams of the big corporations that benefit from the incentives are men. The revenue shortfall occasioned results to inadequate expenditures in social sector such as education and health that are bound to benefit women and girls. Further, the revenue shortfall is bridged by increases in indirect taxes which again disproportionately affect women and girls who bear the greater burden of consumption expenditure. This promotes gender inequality, which ought to be addressed.

Lack of Gender Disaggregated Data

The FTM reports for Uganda and Zambia showed that the two countries do not provide gender disaggregated tax data. Similar findings were established by review of literature from other African countries as well as the feedback from KIIs. Lack of gender disaggregated data makes it hard to determine the contributions of women and girls to overall tax revenue, which is critical in formulation of gender responsive tax policies and also appreciating the contribution of women and girls to overall tax revenue. These disadvantage women and girls tax payers.

Inadequate Gender Responsive Budgeting

The FTM reports for Uganda, Zambia and literature reviewed for Chad, Nigeria, Ghana and Tanzania show that budgetary allocation for the social sector namely education, health, agriculture have remained almost stagnant for a long period. This disproportionately affect women and girls who are largely dependent on these sectors leading to gender inequality in

[94] https://unctad.org/annual-report-2020

the overall government expenditure. The findings are well corroborated by the responses from the KII particularly from Uganda, Tanzania, EALA and Liberia who were of the view that the budgetary allocation to social sectors was minimal and not gender responsive. There is need to promote gender responsive budgetary by allocating increased financial resources to social sector which is relied on more by women and girls.

Inadequate Emergency Fund

The two FTM reports indicates that Uganda and Zambia were caught inadequately prepared for the Covid-19 pandemic emergency. Due to inadequate funds to address the emergency they introduced austerity measures including cuts in spending on social sectors e.g. education, health, agriculture and water. The cuts in several sector spending disproportionately affects women resulting to fiscal injustice. Review of literature for other African countries reveal that other African countries namely; Kenya, Ghana, Nigeria, Senegal, Niger among others also implemented austerity measures. The KII interviewed were of the view that although some countries such as Kenya reduced VAT from 16 percent to 14 percent which had positive effect on women, a number of other measures implemented were not engendered which includes tax holidays which did not benefit women and girls. Besides, the measures were short-term and thus their effect was short-lived. Therefore, African countries need to have sufficient budgetary allocation for emergency to avoid taking measures that promote gender inequality in times of crisis.

Unpaid Care Work

The unpaid care work remains unrecognized in most countries in Africa. The Uganda and Zambia FTM reports identifies that the two countries do not have a mechanism for recognizing unpaid care work. Besides, the literature reviewed point to the same with an exception of South Africa. The unpaid care work inhibits women's ability to compete favourably with men in other formal jobs, education among others, therefore disadvantaging them. There is a need for its recognition across African countries as a measure to enhance fiscal justice for women and girls in the continent.

7.0 POLICY PROPOSALS FOR FISCAL JUSTICE FOR WOMEN AND GIRLS IN AFRICA.

Tax reforms to improve progressivity of tax systems by shifting overreliance from indirect taxes to direct taxes, replace flat rate excise duty rates with graduated rates where high income earners pay more and introduction of VAT exemptions and zero rating of basic products used solely by women and girls:

Since tax systems in most African countries are regressive thus being generated from indirect taxes usually levied on goods and services before they reach the consumers, a majority who are women and girls, it is important that revenue authorities, ministries of finance, and legislative bodies in African countries to draft and enact legislations that shift reliance from indirect taxes to direct taxes (personal income tax, corporate income tax, property tax etc). Taxes can be made more progressive with well-designed thresholds (on who earns or has enough to pay a particular tax), targeting the rich who are predominantly men as well as zero rating and exemptions from VAT of basic commodities such as sanitary towels used by women and girls. CSOs should advocate for tax reforms that promote fiscal justice for women and girls in Africa such as VAT zero rating and exemptions on basic products used solely by women and girls such as sanitary towels.

Curb Illicit Financial Flows through enhanced border surveillance, proper utilization of tax revenues and advocacy on ethical behaviour:

Most African countries lose revenue through IFFs such as tax leakages and avoidance among others. To bridge the revenue gap, these countries often opt for indirect taxes thus placing a greater burden on women and girls. IFFs can be mitigated by enhancing transparency and accountability around tax administration. The ministries of trade and finance together with the national assembly to introduce transfer pricing rules to ensure that transactions between related entities are priced fairly and reflect an arm's-length fee. Further, governments and regional community secretariats to harmonise cross border tax policies between countries to reduce cases of cross border tax evasions. Besides, the CSOs can take a lead role in targeted training and continental campaigns of ethical behaviour among the businesses and taxpayers with a view of inculcating ethical practices in tax payment.

Review of Tax Incentives Regulations:

In most African countries, the granting of tax incentives has been abused by being given to high income earners, established businesses and multinationals mostly owned by men where incentives often are not needed and not justified in terms of increased investments and economic activity Consequently, reduced tax revenues and efforts to bridge the revenue gap inadvertently affects women and girls. The governments revenue authorities should undertake cost benefit analysis to ascertain incentives that have positive economic benefits to ensure the incentives provided make economic sense. The CSO should also scrutinize the tax incentives in place and advocate for retention of those that are beneficial to promotion of fiscal justice for women and girls, especially those touching on agriculture and the informal sector where women are largely engaged. Further, the incentives can be extended to small and medium enterprises owned by women to encourage more women into economic activities.

Gender Responsive Taxation:
Formulation of tax policies in Africa do not explicitly consider gender. Therefore, women and men pay same taxes at the same rate. The government, legislative bodies, and revenue authorities should consider pursuing a tax policy that eliminates tax exemptions in direct taxes mainly corporate and personal income tax since such exemptions tend to benefit men disproportionately. In addition, the CSOs can advocate for a reduction in general sales taxes, VAT exemptions for basic food and good and increase taxes on luxury goods that are enjoyed mostly by rich people majority of who are men. This will ensure payment of higher indirect taxes by the wealthy and thus reducing the burden of indirect taxes on women.

Gender Responsive Government Budgeting:
Budgets are usually gender blind. Given that different budgets have different impacts on men and women, there is therefore a need for gender responsive analysis as part of the budget process where the results of the analysis are published and used to inform the budget process. African countries are faced with huge budget deficits and burden of public debt servicing due to inadequacy of tax revenues. This results to inadequate revenue allocation to the sectors of the economy that women depend on such as health, education, agriculture, water and sanitation, among others. There is therefore need for African governments to identify and capitalize on key economic growth drivers for sustained growth thereby enhancing revenue generation to meet budgetary requirements. Besides, Ministries of finance, legislative assemblies, and Ministries of Gender should ensure that budgetary allocation to the social sectors is always reviewed upwards and special allocation to address gender related issues also included. Areas where funding should be increased include Healthcare (pre-natal and post-natal), girl child education, agriculture, water and sanitation, women-led MSMEs. CSOs should carry out campaigns to enhance increased budgetary allocation to these sectors that benefit women more in the continent.

Recognition of Unpaid Care Work:
In Africa and even across the globe, women bear the burden of taking care of their families at home, childcare, looking for food among other activities. These greatly interfere with their productivity and overall participation in development. African governments, Legislative

authorities, revenue authorities, CSOs, Ministries of Gender, and Ministries of labour should push for recognition, reduction, redistribution, and representation of the unpaid care work. Recognition-will show that care work happens and takes women and girls time, time diaries to be introduced to track amount of time taken and who is doing the care work; Reduction of unpaid care work will leave women with more time for paid work, leisure and decision making, this can be achieved by provision of women with labour saving devices like washing machines, energy saving stoves, water tanks; Redistribution by promoting equal sharing of unpaid care work among family members; Representation, increasing the participation of women and girls at decision making levels both at local and national level. A special tax relief to be granted in the personal income tax to compensate women by leaving them with more disposable income that will enable them increase their spending on education and healthcare services. Governments to consider undertaking research and partner with CSOs in the Care work advocacy to scale up interventions in place to reduce the care burden.

Emergency Fund:
Emergencies such as Covid-19 and unprecedented effects of climate change (drought, floods) often have a significant impact on taxation and public spending in many African countries mostly affecting spending in education, health, and social protection. They also impact negatively mostly businesses in the informal sector where majority are owned by women and girls. African governments through relevant ministries in conjunction with non-state actors should therefore develop disaster risk management strategies which include setting aside sufficient funds/contingency fund through the budget process for such emergency cases to cushion specifically women and girls from adverse effects, putting in place an efficient disaster response mechanism to guide and coordinate response during periods of emergencies. This entails timely disbursement of emergency funds, ensuring disbursed funds are tracked for optimal benefit and debt restructuring during emergency periods to avail more funds to address the emergencies. CSOs to advocate for establishment of a coordination mechanism among the stakeholders and implementing agencies both at the national and regional level, *to ensure proper coordination of emergency response thus eliminating duplication and guaranteeing maximum returns and enhance* transparency, and accountability in utilization of emergency funds.

Improve Domestic Revenue Mobilisation:
The reviewed literature points to huge budget deficits in African economies which is chronic due to insufficiency in revenue as a result of among others, inefficiency in tax collections, high debt servicing burden and a large informal sector. This deprives women advantageous sectors of the much-needed resources thus disadvantaging them. African governments through their relevant ministries and revenue authorities to explore domestic revenue mobilisation opportunities such as enhancing tax progressivity where the rich are taxed more, improving efficiency of the revenue authority through digitization of the tax collection to seal leakages, tax awareness campaigns, efficient and transparent use of tax revenues, stringent measures to curb corruption and high penalties for defaulters.

Strict Adherence to Budgetary Allocation:
The study established that even though there exist policies that govern taxation and spending in African countries, their implementation is incapacitated by non-adherence to budgetary allocation. Resources are often drawn away from sectors that are advantageous to women to other sectors that may serve political expediency. African Gender Ministries and National Assemblies to draft and enact laws that require all government ministries and departments to obtain a certificate of gender and equity (G&E) compliance before their budgets are appropriated by Parliament. CSOs to participate in the budgetary making process, advocate for representation of women and their interest through the parliamentary budget and appropriation committees, monitor budget expenditures, and advocate for strict gender and equity compliance during appropriation of budgets by African parliaments.

Coordinated Civil Societies' Advocacy Efforts:
The study also establishes that even though there are organizations that advocate for fiscal justice for women and girls in Africa, fiscal injustice towards them still exists This can among other things be attributed to lack of concerted approach in handling fiscal justice concerns in Africa. It is therefore, recommended that CSOs engaged in fiscal justice should form an umbrella body at the continent level with branches at the national level that coordinate the mapping of all the actors operating in the continent to push for fiscal justice for women and girls in Africa. The continental coordinating body should work closely with the regional blocs' secretariat and provide technical and logistical support to the national bodies who are supposed to work closely with the ministries responsible for gender matters. The mapping should identify all the actors and their geographical coverages. Such mapping will facilitate the identification of gaps and ensure a coordinated approach towards advocacy for a fair fiscal policy in Africa. This will open the potential for harnessing the synergies that would increase advocacy activities across the continent.

Gender Tax Disaggregated Data:
The reviewed studies and KII responses pointed to lack of gender disaggregated data in African countries. This hinders formulation of fiscal policies that are gender responsive. Consequently, fiscal justice is not met for women and girls on the continent. The historical fiscal injustices for women prevail in Africa. To this end, African governments through their revenue authorities should incorporate options for provision of gender information when filing tax returns. Further, the gender disaggregated data gathered should be employed in undertaking gender impact assessments to redress gender inequalities in taxes.

Recruit more Women in Tax Administration and Promote those who Qualify to Senior Positions to increase their Representation in Tax Policy Decision making:
The two FTM reports, review of literature on other African countries, and Key Informant Interviews (KIIs) with selected respondents in tax systems across Africa established that the revenue authorities in Africa employ more men than women and particularly in the senior and technical roles. Therefore, women are not well represented in critical decision making on country's tax issues including fiscal policy formulation, implementation, and outcome to push for gender sensitive tax policies. Having more women will also improve tax compliance

among women tax payers and reduce cases of sexual harassment during tax compliance enforcement. It is recommended that Revenue Authorities and Public Service Commissions should recruit more women and promote those who qualify to senior positions within Tax Administration. CSOs to advocate for increased women representation in Tax Administration, particularly at senior levels. Ministries of Gender and Parliamentary Committees on Gender to draft and push for enactment of legislations that direct for gender balance in recruitment and promotion of revenue officers.

A Need for Sensitization and Awareness Creation with key Stakeholders:
CSOs should spearhead sensitization and awareness creation on the regional fiscal policy proposal for women and girls in Africa, targeting key stakeholders (Members of Parliament, Ministers of Finance, Revenue Authority Management, Ministers of Gender, other CSOs) to inspire the goodwill to avoid or reduce opposition of the fiscal policy proposals due to lack of understanding. This can be achieved through organising stakeholder workshops where they are sensitized on the need for the policies to be passed and their potential benefits. This will reduce the chances of the fiscal policy proposals being shot down or strongly opposed by the legislative assembly members and other key stakeholders due to lack of understanding/sensitisation.