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Gender Equality and Poverty Reduction

TAXATION

Introduction

This is the first Issues Brief of the United Nations Development Programme (UNDP) Gender Equality and Poverty Reduction series.[1] It explores gender issues in taxation and tax policies, covering issues that are related to the wider discussion on gender-responsive budgeting. It is based on the findings from a research project on gender and taxation led by American University and the University of KwaZulu-Natal, with support from the International Development Research Centre, the Ford Foundation, and UNDP. The project examined how direct and indirect taxation policies affected women and men in eight countries (Argentina, Ghana, India, Mexico, Morocco, South Africa, Uganda and the United Kingdom).[2]

This Brief targets UNDP country offices and their national counterparts (e.g., national, regional and local governments and parliaments, academia, civil society and the media). It can be used to stimulate discussions at the country level with a view towards developing nationally and locally-adapted initiatives to integrate gender perspectives into budget reforms and processes, and as an advocacy tool with a view to increasing awareness of potential gender biases in tax systems.

Background

As efforts to achieve the Millennium Development Goals accelerate over the next five years, governments and their partners are paying increased attention to the need for domestic and international development resources. The impacts of the global financial and economic crisis have added urgency and have made it more challenging to mobilize domestic resources and international aid. Developing strong, equitable and efficient tax systems that are acceptable to the majority of a country's population is critical to ensuring the stable flow of public services.

As countries look for ways to increase revenue, they need to be mindful that tax policies do not place undue burdens on the poor or the marginalized. Since women are particularly vulnerable to poverty (increasing as a result of the global financial and economic crisis), the development community needs to focus attention on the methods countries use to increase domestic revenues and on how these efforts affect poor women. Making tax systems more pro-poor was one of the commitments of the Doha Declaration on Financing for Development (2008).[3]

Tax policy has evolved over the past 40 years. Reforming their tax systems in line with a standard set of reforms, most countries have taken actions, such as:

- Broadening the base of personal income tax systems and reducing the highest marginal tax rates. This has been done primarily to raise revenue and to simplify tax systems;
- Reducing corporate tax rates in order to boost investment; and
- Increasing indirect taxes to compensate for the elimination or the reduction of import tariffs as part of trade liberalization.

The most widespread indirect tax is the value-added tax (VAT), which has been popular because it is broad-based, easy to collect and difficult to evade. More than 125 countries have some form of VAT, and much of the world relies on it as the mainstay of their revenue system. Low-income countries raise about two-thirds of their tax revenue through indirect taxes such as VAT, raise just over a quarter through income taxes, and raise the remainder through a variety of different taxes. In contrast, high-income countries rely on indirect taxes to raise only one-third of their tax revenue.

BOX 1: DEFINITIONS OF TERMS AS USED IN THE BRIEF: AN EXAMPLE FROM SOUTH AFRICA

Nomsa Ndlovu is a 39-year old South African single parent, with three children under the age of 16. She lives with her 70-year old mother who assists her with childcare. Nomsa works as a sales representative for a large pharmaceutical company, earning a fixed annual salary of R132,000 plus a monthly commission based on her sales. How does the tax system affect her?

South Africa has a **progressive tax system**: the rate of taxation increases with income. As Nomsa's salary increases, she will pay proportionately more taxes. This is seen in Table 1, which shows the applicable 2007–2008 tax rates. The income tax that Nomsa pays is called a **direct tax**: the tax is levied directly on Nomsa.

TABLE 1. PERSONAL INCOME TAX RATES, 2007-2008

Taxable income (R)	Rates of tax (R)
1–100,000	18 percent of each rand
100,001–180,000	20,250 + 25% of the amount above 112,500
180,001–250,000	37,125 + 30% of the amount above 180,000
250,001–350,000	58,125 + 35% of the amount above 250,000
350,001–450,000	93,125 + 38% of the amount above 350,000
450,001 and above	131,125 + 40% of the amount above 450,000

Tax thresholds	Rebates (individuals only)
< 65 years: R43,000	< 65 years: R7,740
≥ 65 years: R69,000	≥ 65 years: R12,420

Source: National Treasury (2007) Budget Review, Pretoria, p. 197.

Nomsa's fixed salary puts her in the R100,001–R180,000 tax bracket. Persons in this bracket pay taxes of R20,250 plus 25 percent of amounts above R112,500, so Nomsa's tax payment on her salary is R25,125. But Nomsa also earns a commission each month. The **marginal tax rate** on her commission—the tax rate on each additional rand above R112,500—is 25 percent. If her commission is high enough to raise her total annual income above R180,000, she moves into the next tax bracket, where her marginal tax rate will increase to 30 percent.

Nomsa's direct taxes are reduced because the tax laws allow her to deduct certain expenditures from her income. Because she works as a sales representative, some of her transportation costs can be deducted from her earnings before her tax liabilities are calculated. South African tax laws allow other **tax deductions**, such as her pension and medical aid contributions. Some countries provide for a dependant **tax allowance**, which would allow Nomsa to claim a tax deduction for each one of her children.[4] However, South African tax law does not permit this. Instead, in South Africa a child support grant is paid on the expenditure side of the budget.

Nomsa is also allowed a **rebate** on some of her tax liability. This is because South Africa's **tax threshold** is R43,000—all income below this amount is not taxable. So, she gets a primary rebate of R7,740, which is equivalent to the taxes she would have had to pay if the tax threshold was zero.

Nomsa's mother runs a little grocery store in the household, and earns a small additional income for the household. This income is not declared (i.e., her mother does not complete annual tax returns). In taxation terminology this income is outside the **tax net**. In most developing countries, income earned in the informal economy tends to be outside the tax net. Governments, especially in developing countries, have been trying to bring more and more income into the tax net, thereby increasing the **tax base**.

Each month, Nomsa purchases all of the items she needs to run her household. On most of these purchases she pays a value added tax (VAT) of 14 percent. This is a form of **indirect tax**: an intermediary levies and collects the tax and then pays it to the government. Similarly, Nomsa might pay **excise taxes** on purchases.

Nomsa's payment of VAT is reduced by the fact that certain basic food items are **zero-rated**—a VAT rate of 0 percent is applied to these goods. VAT is a complex tax because the value added at each stage of production is collected. Zero-rating the item has the effect of completely removing the tax on it. Closely related, some items are **exempt from VAT** (e.g., certain education expenses and public road and rail transport fees). Exemptions are similar to zero-rating in that taxes are not charged on outputs but different from zero-rating in that tax paid on inputs cannot be reclaimed by the providers of VAT-exempt goods and services. The difference (in full or in part) is therefore generally reflected in the final consumer price. In practice, this means that while the effective rate of taxation on a zero-rated goods is zero, the effective rate on exempt goods is somewhere between zero and the general VAT rate due to taxes on the inputs that went into the manufacture of the good.

Linking gender and taxation

Distinguishing between explicit and implicit gender biases in taxation has proven useful for assessing the gender implications of tax policies.[5] **Explicit** gender bias occurs when the tax legislation contains specific provisions that treat women and men differently. In systems where household members' incomes are taxed separately, explicit bias often occurs when allowances, deductions or property-derived income are allocated to a particular member of the household. For example, by default the Moroccan tax system allocates allowances for children to men; this reduces men's tax burden relative to women's. Female taxpayers can claim the allowance only if they can prove that their husband and children are financially dependant on them.

In contrast, **implicit** gender bias occurs where tax legislation intersects with gender relations, norms and economic behaviour. For example, because gender norms allocate a greater portion of unpaid care work to women than to men, women tend to use larger portions of their income on basic consumption goods such as food and clothing. Systems that impose a tax on the consumption of basic goods and services may therefore place a heavier tax burden on women.

There are a number of other implicit gender biases in personal income tax systems. These tend to relate to work-related exemptions and deductions that benefit professionals and those in formal employment—exemptions for which men, predominant in that type of employment, are more likely to be eligible. Tax codes can also show implicit bias in the treatment of assets. For example, the tax codes of Argentina, Ghana and South Africa provide exemptions for interest or dividend payments on stocks and equities, assets that men are more likely to own than women.

In Argentina the tax system provides a higher rebate for employees (AR$34,200) than it does for the self-employed (AR$9,000). An implicit bias exists because men are more likely to be employed in formal jobs and women are more likely to be self-employed in the informal economy. In South Africa, implicit bias also results from tax collection mechanisms. Employers automatically deduct taxes, and adjustments are made after the employee files his or her annual tax return. For those who work less regularly (disproportionately women in seasonal and part-time jobs), these deductions are based on annualized calculations—resulting in deductions that are based on artificially higher marginal tax rates. Because end-of year tax returns with tax adjustments are not legally required, few actually do this due to lack of capacity either on the part of the employer or the individual taxpayer. This failure to file tax returns results in the overpayment of taxes.

This explicit/implicit framework is limited, however, because it is based on the idea that bias stems from treating women and men differently and that a non-biased system would treat them the same. However, achieving substantive equality often requires treating groups in society differently. Different treatment is not necessarily biased treatment. For example, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) allows for different treatment when the treatment is aimed at overcoming discrimination. Thus, CEDAW implies that taxation systems should, in addition to treating women as equal and autonomous citizens, also seek to transform traditional gender roles in society.

Tax policies in many countries take equity into consideration. For example, the ability to pay—the principle that those who earn more should pay a larger portion of their income in taxes—has been well established in such tax policies. In addition to concerns regarding income groups and other forms of social stratification, a gender perspective requires careful evaluation of tax policies' distributional impacts. Policy makers need to be aware of the extent to which tax policies, such as the tax treatment of income derived from jointly owned assets, reinforce or break down gender inequalities.

Policy makers also need to consider how taxation policies and reforms affect paid and unpaid work and the inter-dependence between these realms of economic activity. For example, where tax policies affect labour supply incentives that encourage or discourage shifts into paid work, policy makers should consider the consequences on the unpaid economy and the gender distribution of unpaid care work.[6] Where tax policies affect unpaid care work (e.g., through a VAT on products used in providing care), policy makers need to be aware of the possible impacts on paid work (e.g., by changing the time that women have to provide labour in the paid economy). Evaluating tax policies on both paid and unpaid work will often involve evaluating both financial and time costs and benefits.

In addition to concerns about the spatial or income profile of households, tax policies' impact on different types of households (e.g., dual earner households, female or male single-earner households) needs to be carefully assessed. For example, policy makers need to be aware of how systems of individual filing of income taxes impact the total taxes paid by different household types. Policy makers also need to consider the degree to which taxation policy reduces or reinforces gender inequalities within households. For example, not only should policy makers be aware that increasing the VAT on children's clothing may reduce women's disposable income more than men's, but that such action may also reinforce existing intra-household power inequalities.

Gender issues in direct taxation

The unit of taxation in personal income tax systems can be either individual or joint. In individual filing systems, income earners are individually responsible for filing taxes based on their own earnings, independent of marital status or household structure. In joint filing systems, tax liability is assessed on the combined income of the married couple.

Individual filing systems are widely regarded to be more gender-equitable than joint filing systems. **Joint filing systems** evolved from a household model in which men provided the family's income and women were financially dependent spouses. Joint filing systems tend to discourage women's participation in paid labour because combining household income increases the secondary earner's marginal tax rate. Because women tend to earn less than men in the paid labour market, the decision is often for them to withdraw from paid work in response to higher marginal tax rates. This is one factor that leads to women performing a greater portion of unpaid care work.

Individual filing systems avoid these problems. However, they raise other issues, such as how to allocate income earned from jointly owned assets[7] or how to allocate allowances for joint household activities (e.g., childcare). How these allowances are structured can lead to gender biases. For example, Argentina's filing system has an explicit gender bias because income from jointly owned assets is allocated to the husband and taxed in his name. While the tax liability falls on men, married women's ownership of assets is not recognized in the tax system. In Morocco, as noted earlier, child and dependant allowances for dual-earner households are allocated to the male member by default, even in households where the woman's income is higher than the man's income.

In many developing countries, the majority of women fall outside the income tax net. This is because most poor women—disproportionately concentrated in the informal sector and among those with low-paying jobs—earn incomes that are well below their countries' income tax threshold. The implication of this is that tax incentives intended to achieve social goals (such as compensating some of the costs of care through dependant allowances) may assist only a small portion of women. In such circumstances, it would be necessary to consider whether budgetary expenditure policies (or a combination of tax and expenditure measures) may be more effective.

An unusual example of a gender bias that favors women is found in India, which established a tax threshold that is higher for women than for men. However, the effectiveness of such an approach is limited, as less than 1 percent of working-age women earn incomes above the tax threshold.[8] There is also little evidence that the higher tax threshold positively impacts women's lives. It may give eligible women slightly more power within the household insofar as the higher threshold provides an incentive to shift property ownership from men to women in order to exploit the higher tax thresholds. For the vast majority of women, though, supporting publicly financed programmes that improve their access to secure and well-paid employment may be more effective than establishing differential tax thresholds for women and men.

BOX 2: PERSONAL INCOME TAXES AND HOUSEHOLD STRUCTURE IN MOROCCO

In order to determine the incidence or burden of income taxes on women and men, a semi-uniform hypothetical scenario was developed for the eight counties in the research project. In Morocco, households were grouped according to their employment status: single-breadwinner households, households with a single male breadwinner, households with a single female breadwinner, and households with dual earners. All households—except the single-breadwinner households—included a spouse plus two children. Dual earner households were further broken down into households where the two income earners earn the same level of income, those where the male earns more than the female member and those where the female earns more than the male member. Table 2 shows the personal income tax paid in Morocco by each household type at half the median income, the median income and twice the median income. The table illustrates the wide variation in taxes paid by each household type.

The gender bias in the Moroccan income tax system arises because of the way in which the tax laws allocate dependants. Women in dual breadwinner households at the median income and twice the median, who earn the same amount as or more than their spouse, face a higher average effective tax rate because they are not allowed to claim deductions for a spouse or dependent children, unless as noted above, they can prove legally that they are dependent on her income.

TABLE 2. MOROCCO: COMPARISON OF EFFECTIVE AVERAGE INDIVIDUAL TAX RATES

Category of taxpayer	Half median income (%)	Twice median income (%)	Median income (%)
Single breadwinner household	2.1	13.2	23.1
Male-breadwinner household	0.6	12.4	22.7
Female-breadwinner household	0.6	12.4	22.7
Dual-breadwinner (male and female earn approx. equal) M*	0.0	0.6	12.4
Dual-breadwinner (male and female earn approx. equal) F**	0.0	2.1	13.2
Dual-breadwinner (male earns more than female) M*	0.0	4.4	16.4
Dual-breadwinner (male earns more than female) F**	0.0	0.0	8.2
Dual-breadwinner (female earns more than male) M*	0.0	0.0	7.1
Dual-breadwinner (female earns more than male) F**	0.0	5.6	17.1

Source: El Bouazzaoui et.al. (Chapter 7) in Grown and Valodia (eds.) (2010) Taxation and Gender Equity: A Comparative Analysis of Direct and Indirect Taxes in Developing and Developed Countries , London: Routledge.
*Effective tax rates for men.
**Effective tax rates for women.

Gender issues in indirect taxes

Indirect taxes are perceived to be less progressive than direct taxes because low-income households spend a larger portion of their income to fulfil basic needs than do high-income households. Nonetheless, indirect taxes have become an increasingly important revenue base for developing countries. Therefore, because women tend to be over-represented in low-income households, it is particularly important to examine the tax incidence of the VAT, excises and fuel levies from a gender equality perspective.

As a result of gender norms that assign women responsibility for dependants' care, women tend to use larger portions of their income on basic consumption goods such as food and clothing. Therefore, consumption taxes such as a VAT place a heavier burden on women. However, careful design and implementation of VAT, such as zero-rating, can help alleviate this burden.

BOX 3: GENDER INCIDENCE ANALYSIS OF INDIRECT TAXES

Tax incidence analyses often rely on income and expenditure surveys, which provide the information needed to calculate the amount of taxes paid. Usually, the analysis shows the taxes paid by different income or expenditure groups (for example, high-income compared to low-income households, or high-expenditure versus low-expenditure households). A gender-based tax incidence analysis needs data on individual income or expenditures in order to calculate the incidence of taxes on different members of the household. However, data is typically collected at the household level, so individual-level information is not readily available. One way around this problem is to identify households as being **either female- or male-headed**. In most countries, however, 'household headship' is an imprecise concept that reveals little about the realities of power relations or decision-making between women and men. More practically, statistical agencies define headship in different and country-specific ways, thus limiting the scope of multi-country analysis.[9]

The gender and taxation research project developed two simple yet powerful proxies to use in a gender incidence analysis. First, households can be classified by their **sex composition**: households are classified according to those with a greater number of adult females, those with a greater number of adult males, and those with an equal number of male and female adults. This serves as a proxy for gender norms that underlie observable expenditure patterns.

Second, households can be classified by the **adults' employment status**, which is based on the idea that income from employment enhances individual bargaining power. This assumes that employment (and the income it yields) allows women to exert greater control over household expenditures. This leads to a distinction between female-breadwinner households (with no employed males), male-breadwinner households (with no employed females), dual-earner households, and households with no employed adults.

The household types can be further broken down between those with and without children.

Using the employment-based definition of households described in Box 3, the eight country studies show that total indirect tax incidence falls most heavily on the richest male-breadwinner or dual-earner households in Argentina, Morocco and Uganda, while it falls on middle quintile dual-earner households in South Africa (see Table 3).

The incidence of excise taxes generally falls on male-breadwinner or dual-earner households in the middle quintiles in most countries. The pattern of VAT incidence by household type and quintile is not uniform. It is borne by the richest male-breadwinner and dual-earner households in Morocco and Uganda, middle-quintile dual-earner households in South Africa, and the poorest male-breadwinner and dual-earner households in Argentina. Thus, one can conclude that these findings are positive for most countries because they show that indirect taxes are both progressive and may help to promote gender equality.

TABLE 3. INCIDENCE OF INDIRECT TAXES BY HOUSEHOLD TYPE

By headship (comparing male-headed and female headed households)				
Incidence falls most heavily on:	**Total indirect taxes**	**VAT**	**Excises**	**Fuel tax**
Male-headed households	Argentina, Ghana, Mexico, Morocco, South Africa, Uganda, United Kingdom	Argentina, Ghana, Mexico, South Africa, Uganda, United Kingdom	Argentina, Ghana, India, Mexico, Morocco, South Africa, Uganda, United Kingdom*	Argentina, Ghana, India, Morocco, South Africa, Uganda, United Kingdom
Female-headed households	India	India, Morocco	United Kingdom*	Mexico
By employment status (comparing male-breadwinner, female-breadwinner, dual-earner and no-employed households)				
Male-breadwinner households	Argentina,† Ghana, Mexico, South Africa, Uganda	Argentina,† Ghana, Mexico, South Africa, Uganda	Argentina, Ghana, Mexico, Morocco,† South Africa, Uganda	Ghana,† Morocco,† Uganda
Female-breadwinner households				Mexico
Dual-earner households	Argentina,† Morocco	Argentina,† Mexico, Morocco, United Kingdom	Morocco†	Argentina, Ghana,† Morocco,† South Africa, United Kingdom
None-employed households	United Kingdom		United Kingdom	
By sex composition (comparing female-majority, male-majority and equal-number households)				
Male-majority households	Argentina, Ghana, India, Mexico, Morocco, South Africa, Uganda, United Kingdom	Argentina, Ghana, India, Mexico,‡ South Africa, Uganda	Argentina, Ghana, India, Mexico, Morocco, South Africa, Uganda, United Kingdom	Argentina, Ghana,‡ India, Uganda, United Kingdom
Female-majority households				Mexico
Equal-number households		Mexico,‡ United Kingdom		Ghana,‡ South Africa

Notes:
* The difference in incidence for female-headed and male-headed households is not statistically significant.
† The difference in incidence between male-breadwinner and dual-earner households is not statistically significant.
‡ The difference in incidence between male-majority and equal-number households is not statistically significant.
In Morocco, the incidence of VAT and fuel taxes is proportional.

India stands out as the one case where, based on headship, female-headed households bear the highest incidence of total indirect taxes. Using headship, in both India and Morocco, female-headed households bear a higher incidence of VAT than male-headed households do.

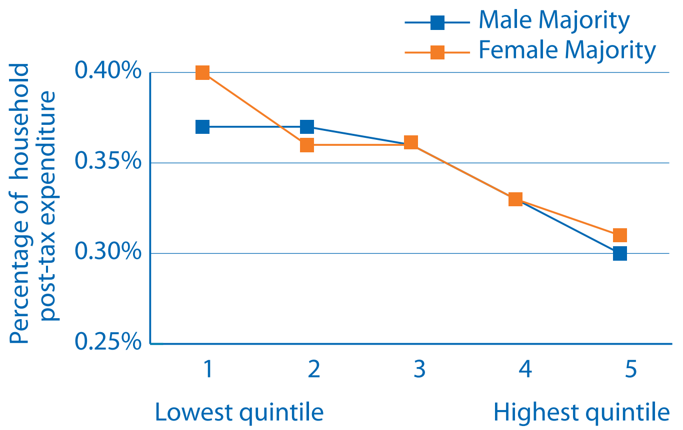
Given that female-type[10] households are generally clustered in lower income brackets, and that many countries use zero-rating and exemptions to VAT to protect households in lower income brackets, it follows that male-type households generally bear a higher incidence of indirect taxes. The tax incidence is also higher on male-type households because these households typically consume more goods that are subject to excise and fuel taxes than do female-type households.

This is reflected in Table 3. Indeed, simulations that removed exemptions and zero-rating of basic consumption goods showed that incidence would considerably increase for female-type households. In countries that do not make extensive use of zero-rating (for example, VAT on food in India), the incidence of VAT on low-income female-type households may be higher than on male-type households, since the former are more likely to spend a large portion of their incomes on basic goods that now attract VAT. Thus, these findings show that some key policy measures—specifically, exemptions and zero-rating of basic consumption items—lessen the regressive nature of indirect tax systems.

One caveat is that these results are based on an analysis of incidence using household expenditure. An analysis based on household income may yield different findings. In Mexico, for example, where income data was available, incidence analysis suggested that households in which women earn more income than men have a higher indirect tax incidence than households in which men earn most income. Incidence is lowest in households where women and men earn similar incomes. One explanation for these results may be that in households where women earn the largest share of household income, they have greater power to decide on household spending. They therefore spend a larger fraction of their incomes than do other types of households on those goods and services that attract taxes. Indeed, the analysis of the composition of consumption expenditures shows that female-breadwinner[11] households have a higher share of their income allocated to items such as personal care, adult clothing, house furnishings and equipment, and communications, particularly as their income increases, than consumption expenditures in male and jointly-maintained households.

Tax incidence analysis can go beyond the type of tax to explore who bears the incidence of specific commodities. In all project countries, indirect taxes paid on particular types of commodities—such as food—were found to be disproportionately paid by low-income, female-majority households. Figure 1 shows this to be the case in India where there is no extensive use of zero-rating of basic consumption goods. In India, female-type households in the lowest, middle and highest incomes quintiles bear a higher incidence of food taxes than male-type house- holds. The differences are most striking for the lowest income quintile.

FIGURE 1: FOOD TAX INCIDENCE BY HOUSEHOLD TYPE ACROSS QUINTILES IN INDIA



Chakraborty et al (Chapter 4) in Grown and Valodia (eds.) (2010) Taxation and Gender Equity: A Comparative Analysis of Direct and Indirect Taxes in Devel-oping and Developed Countries, London: Routledge.

It is possible to improve the gender equality outcomes of indirect taxes. Selected and targeted measures can help poor women avoid bearing a disproportionate burden of VAT. For example, according to the results of data simulations in Morocco, reducing the VAT on tea, coffee and edible oils lowered the tax incidence for poorer female- and male-breadwinner households and households with no employed adults. In Ghana, data simulations that reduced the tax incidence on children's goods benefited poorer female-breadwinner and female-majority households more than similar male-type households. In Uganda, simulations that zero-rated salt and paraffin disproportionately benefited poorer and female-headed households.[12]

Since reforms to reduce or zero-rate particular commodities entail revenue losses, it is important to explore different combinations of offsetting measures. A simulation increasing taxes on luxury items, alcohol, tobacco, fuel for private transport, and recreational goods revealed that, in most cases, this made the reforms revenue neutral.[13] Moreover, raising taxes on luxury goods improved the progressivity of tax incidence. However, policymakers should be cautious about increasing taxes on alcohol and tobacco, which are disproportionately consumed by males (including in poor households), because that may induce unintended negative effects such as increasing the incidence of taxes on the poor. A more nuanced effect may be that men reduce their contributions to household budgets as a result of unchanged consumption of these goods despite price increases.

Conclusion

There is scope for policy makers and analysts to shape tax policies so as to both raise revenue and to address and overcome gender inequalities. Raising revenue is critically important for gender equality since it enables governments to spend more on social programmes that increase women's economic opportunities and help reduce their burden of unpaid care work. These could include, for example, school feeding programmes, health and child care services, improved public transportation or water and energy access programmes.

This Issues Brief suggests that methods governments use to raise taxes can be made more gender equitable. Policy analysts can scrutinize their tax codes and instruments for explicit and implicit gender biases. In many countries, legislative action may be necessary to eliminate explicit biases. Policy makers can review and redesign the structure of exemptions and deductions in personal income taxes to ensure that they do not reinforce existing gender inequalities. Indirect taxes can often be made gender-equitable by including exemptions and zero-rating of basic consumption goods. VAT reforms that lower the price of basic goods or services disproportionately consumed by women could also improve the gender responsiveness of tax policies and potentially transform existing gender inequalities.

Selected web resources

UNDP: www.undp.org/poverty/focus_gender_and_poverty.shtml

American University: www.american.edu/cas/economics/programs/gender.cfm

University of KwaZulu-Natal: http://sds.ukzn.ac.za/default.php?7,12,85,4,0

UNIFEM: www.gender-budgets.org

Suggested reading

Bahl R. W. and Bird, R. M. (2008). 'Tax Policy in Developing Countries: Looking Back – and Forward', *National Tax Journal* LXI (2), June, 279-301.

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Himmelweit, S. (2002). 'Making Visible the Hidden Economy: The Case for Gender-Impact Analysis of Economic Policy', *Feminist Economics* 8(1): 49-70.

Stotsky, J. (1997). "Gender bias in tax systems." *Tax Notes International*. June 9, 1997, 1913-1923.

ENDNOTES

1 See www.undp.org/poverty/focus_gender_and_poverty.shtml.

2 The detailed findings of this project are available in Grown, C. and Valodia, I. (eds.) (2010) *Taxation and Gender Equity: A Comparative Analysis of Direct and Indirect Taxes in Developing and Developed Countries*, London: Routledge. See www.routledge.com/books/Taxation-and-Gender-Equity-isbn9780415492621. The project was conducted by Caren Grown at American University (US) and Imraan Valodia, University of KwaZulu-Natal (South Africa), in collaboration with partner institutions from each of the eight countries. Countries were selected to include different regions and a range of developing, emerging and developed economies. The authors of this brief are thankful for the valuable comments and suggestions from Carmen de la Cruz, UNDP Gender Practice Leader for Latin America and the Caribbean; Koh Miyaoi, UNDP Gender Practice Leader for Eastern Europe and the Commonwealth of Independent States; and Anuradha Seth, UNDP Senior Advisor on Economic Policy and Poverty Reduction.

3 Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held from 29 November to 2 December 2008 in Doha, Qatar. (A/CONF.212/L.1/Rev.1). Available at: http://daccess-dds-ny.un.org/doc/UNDOC/LTD/N08/630/55/PDF/N0863055.pdf?OpenElement.

4 Some countries also allow a deduction for a financially dependent spouse.

5 This approach was proposed by Stotsky, J. (1997) 'Gender bias in tax systems', *Tax Notes International* 9 June 1997, pp. 1913-23.

6 For further information about gender and unpaid care work see UNDP Policy Brief, "Unpaid Care Work", Gender Equality and Poverty Reduction, Issue 1, October 2009. Available at: http://content.undp.org/go/cms-service/stream/asset/?asset_id=2349575.

7 In some countries, the property titles or deeds of jointly owned assets do not consistently reflect the name of the wife.

8 Chakraborthy et al, (2010) in *Taxation and Gender Equity: A Comparative Analysis of Direct and Indirect Taxes in Developing and Developed Countries*, op. cit.

9 See Budlender, D. (2003), "The Debate about Household Headship," *Social Dynamics* Vol. 29, Issue 2, pp. 48-72 for an elaboration of the problems with the concept of headship.

[10] 'Female-type' is the umbrella category used when the results are consistent across female-headed, female-breadwinner and female-majority households. The same applies to the term 'male-type household'.

[11] In the context of the Mexico country study, the term 'female-breadwinner' refers to households where females earn 60 percent or more of total household income, and vice versa for 'male-breadwinner households'.

[12] See Grown, C. and I. Valodia (eds.) (2010) op. cit for full details on the data simulations.

[13] Ibid.

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www.undp.org/women/ or www.undp.org/poverty/focus_gender_and_poverty.shtml

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