

## Tax and Gender Guide for Tax Programming

### Introduction

This guide is for individuals and teams responsible for designing tax programmes to help them consider guiding questions on gender issues. The guide is part of the [Knowledge, Evidence and Learning for Development \(K4D\) Programme's Learning Journey on Tax & Gender](#), which was undertaken by [the UK Foreign Commonwealth and Development Office \(FCDO\)](#). The purpose of this guide is to share our learning with fellow donors.

The guide refers to two kinds of support that development actors may provide to governments in partner countries. First, supporting governments to make tax systems fairer for women. Second, supporting governments to use tax systems as a tool to enhance gender equality.

The guide does not present a comprehensive checklist that captures all required steps in decision-making. Furthermore, any intervention should always consider and be shaped by local contexts.

Further assistance on the contents of this guide or tax more broadly can be sought from the Public Finance and Tax Department within FCDO.

### Why consider gender in tax programming

Most tax rules are 'gender neutral', at least on paper. But in practice they apply – or are applied – differently to women and men, often because of their different socioeconomic positions. For example, in many countries the second earner in a family is taxed at a higher effective tax rate than a single earner. In most cases, the second earner is a woman.

Sometimes, those collecting tax may treat women differently. Due to knowledge imbalances, male tax officials hold a position of power over female taxpayers and may exploit this in the form of sexual harassment, abuse or corruption.

[Sustainable Development Goal 5 \(SDG 5\)](#) calls for an end to discrimination against women and promotes their full and effective participation in the economy. Improving gender equality also provides a base for future tax revenues and contributes to economic growth – as gender discrimination has a very real economic cost. For example, providing stronger property rights for women and a sustainable rise in their incomes increases tax revenues.

Although in many domains there has been progress in tackling discrimination against women, gender and tax combined have received little attention. Some interventions are simple to conceptualise; for example, ensuring customs spaces at borders are well lit and have female staff. Others are complex and expensive, such as undertaking a full gendered fiscal incidence analysis of tax systems to understand how the same tax affects people with different characteristics (women and men, people working in the formal and informal business, etc.). With the right mix of political will and technical support, it would be possible to eliminate discrimination from tax systems.

Combining tax and gender goes further than eliminating discrimination. Tax systems can be used as a tool to *promote* gender equality; for example, by giving tax credits to companies that help women (re)enter the workplace. This further empowers women to contribute effectively to their countries' economic growth.

#### ABOUT THIS GUIDE

##### AUTHORS

Evert-Jan Quak

Institute of Development Studies (IDS),  
Brighton

Berni Smith

Tax & Gender Lead at the Foreign,  
Commonwealth & Development Office  
(FCDO)

Copy-editor

James Middleton

Designer

Lance Bellers

##### CONTACT

Email [info@k4d.info](mailto:info@k4d.info)

Twitter [@K4D\\_info](https://twitter.com/K4D_info)

Website [ids.ac.uk/k4d](https://ids.ac.uk/k4d)

For more information contact the Public Finance and Tax Department within FCDO or the International Relations team in HMRC - Deborah Lock ([Deborah.lock@hmrc.gov.uk](mailto:Deborah.lock@hmrc.gov.uk)) and Kirsten Williams ([Kirsten.williams@hmrc.gov.uk](mailto:Kirsten.williams@hmrc.gov.uk)).

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##### SUGGESTED CITATION

Quak, E. and Smith, B. (2022) *Tax and Gender Guide for Tax Programming*, K4D Tax and Gender Learning Journey, Brighton: Institute of Development Studies.

DOI: [10.19088/K4D.2022.104](https://doi.org/10.19088/K4D.2022.104)

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## The UK government's approach to addressing tax and gender

The UK government, through the Foreign Commonwealth and Development Office (FCDO) and Her Majesty's Revenue and Customs (HMRC) Capacity Building Unit, supports partner governments in low- and middle-income countries to tackle biases against women in tax systems, while making taxation a tool to increase gender equality. By including the entire tax system, a wide range of support measures can be considered, including support for tax reforms, tax communication strategies, digitisation, tax collection and administration, and engagement with civil society organisations (CSOs), among others. The objective of assistance is threefold: women pay and benefit from fair taxes, economic efficiency increases and government revenues increase.

Donors, including the FCDO, can seek to make a difference in several key areas:

### 1. Raising awareness and influencing

- > Donors can raise awareness about gender issues in taxation with both partner governments and development partners, who in turn can push for gender-focused reforms.
- > Donors can support tax authorities to provide differentiated tax information and education programmes for women and men, which is critical in tackling gender biases.
- > Donors can engage and support CSOs, which can play a significant role in taxpayer education as well as communication around tax issues and tax reform.

### 2. Technical assistance

- > Donors offer support to national and subnational governments with tax policy reform, providing technical assistance and capacity building to tax administrations, and supporting CSOs to hold governments and tax administrations to account. When doing so, donors can:
  - Support institutions to better collect and synthesise gendered tax data, as most countries do not collect such data and need support in effectively collecting and analysing tax data to inform better enforcement practices and design gender-sensitive tax policy.
  - Support fiscal incidence analysis to combine overall economic impacts of both government taxation and expenditures on individuals by including a gender lens. A whole-of-system approach is needed to understand the full-scale implications of taxation, including analysis of opportunities and risks for women.
  - Provide expertise to tax policy units on how to design gender-transformative tax policies.
  - Support revenue authorities in analysing how their practices affect women and men differently.
  - Bring in experts to support automating the tax administration, which could be beneficial for women if based on a gender-sensitive approach; for example reducing the incidence of harassment.
  - Supporting CSOs with technical assistance and capacity building to successfully participate in holding governments to account over tax reforms and to strengthen taxpayer education.

### 3. Coordinating and facilitating links

- > Donors can have a role coordinating and facilitating links across organisations working on tax and gender.
- > Donors can co-ordinate lesson learning across organisations and delivery partners working in this area, and support and disseminate further research.

## Guiding questions for designing tax programmes in partner countries

This document sets out a series of questions which enable the consideration of gender issues in the design and delivery of tax programmes. It is constructed along six areas where support could be offered:

- a. [Tax data](#)
- b. [Governance](#)
- c. [Tax administration](#)
- d. [Tax policy](#)
- e. [Tax programmes](#)
- f. [Stakeholders](#)

## a. Tax data

Tax programmes have a role in improving gendered tax data collection and analysis. Quality disaggregated tax data are the foundation for evidence-based policies and support interventions.

Use the questions below to reflect on how the design of your programme can address potential areas of weakness or gaps that could be strengthened to improve gendered tax data.

Guiding questions		Answer
1	What tax data are currently collected, used and available in the partner country?	
2	Are tax data gender disaggregated?	
3	Where data are not gender disaggregated are there proxies, such as a name identifier, that could be used to inform analysis?	
4	Are other data available that are not necessarily collected as 'tax data' but could inform us about tax systems' impact on women?	
5	What are (tax) data entry points to collect more gendered data (e.g. household surveys)?	
6	What innovative and digital technologies are available to improve the tax data landscape?	
7	How can the quality of gendered tax data be assured and become comparable?	
8	What are key barriers or constraints to gendered tax data collection in the partner country (e.g. decentralised authorities)?	
9	Are there best practices that could highlight the benefits of using gendered tax data at national and provincial levels?	
10	Do government institutions have the budget, awareness and capacity to collect and analyse gendered tax data that can be improved through training and skills building (e.g. budget and skills for data processing; statistical analysis and reporting skills)?	
11	What are the physical and material capacities of statistical and tax offices to collect, store and analyse gendered tax data?	
12	Which partners could support collecting and analysing tax data to understand gender issues?	

**b. Governance**

Political leadership and commitment are needed to achieve gender-sensitive tax system reforms. To ascertain political will in partner countries requires a thorough understanding of the political context.

Guiding questions	Answer
<b>1</b> What are the sociocultural norms related to gender in the partner country? For example, based on a political economy analysis, what would be the best approach to engage with government on tax and gender (e.g. within a wider lobbying position on women's economic empowerment)?	
<b>2</b> What factors affect political commitment to reform tax systems and how do they affect efforts to include gender issues?	
<b>3</b> What are key national policies for gender equality and women's empowerment and how can they be linked with efforts to reform tax systems (e.g. ratification of international instruments, national or subnational gender plans for achieving SDG 5, nodal agencies for monitoring gender outcomes)?	
<b>4</b> Has evidence been collected in the partner country on perceptions of tax fairness, equality, accountability and transparency?	
<b>5</b> Which political stakeholders should be involved to successfully implement tax policies and strategies that promote gender equality?	
<b>6</b> Which are the key implementing ministries and to what extent are their ministers committed to gender reform?	
<b>7</b> Who could be champions within government to raise awareness about gender and tax?	
<b>8</b> Are there political or cultural barriers to gender reform?	
<b>9</b> How effective is public finance management (PFM) and how can PFM stakeholders be involved in gender and tax?	
<b>10</b> What should be the responsibility of decentralised authorities and regions, and how can they best be supported in their roles?	

**c. Tax authorities and administration**

Technical assistance programmes can improve tax authorities' effectiveness in collection and enforcement. Tax programming should consider the role of the tax authorities in designing and implementing fairer systems that are more beneficial to women.

Guiding questions		Answer
1	How, if at all, do business processes and operating procedures within the tax administration take gender into consideration?	
2	Are there existing initiatives aimed at reducing gender discrimination within the administration tax systems?	
3	Are data collected by the revenue authority disaggregated by gender?	
4	To what extent can support to tax administration be aligned with existing gender programmes that support changes within the civil service in the partner country?	
5	Are grievance mechanisms in place for women who have been subjected to harassment or abuse by tax officials?	
6	Are tax or customs offices at borders safe places for women to enter or travel to? For example, are offices well lit and do they have female staff?	
7	Do tax administration offices have specific communication materials and helpline services for specific requests that women often have?	
8	How can tax authorities use tax automation or digitisation to address specific needs of and constraints on women? What innovative and digital technologies are available – or being considered – to make tax administration more effective and fairer for women?	
<b>Women working in tax authorities</b>		
9	To what extent are women represented in tax authorities and how influential are they in their positions (e.g. for baseline analysis)?	
10	What are barriers to women entering tax authorities and progressing into senior positions? What are the barriers to women entering the tax authorities and progressing into technical positions?	
11	Who are (potential) gender champions within the tax administration?	
12	Are there internal procedures within the tax administration for female colleagues to report harassment and abuse among staff?	
13	Is there evidence on the positive impact of gender-balanced teams in government in the partner country (i.e. outside the tax world)?	
14	Are women in tax authorities offered an equal wage compared with men in the same position?	
15	What gender-sensitivity training on gender norms and culture is available to women and men working in tax administration?	

## d. Tax policy

Both direct and indirect taxes have specific outcomes for women. Analysis of the impacts of specific tax measures could increase the evidence base for tax policy reform. Technical assistance and other support are needed for tax policy analysis and reforms to address discrimination against women and/or enhance gender equality. Furthermore, gender and tax issues could be mainstreamed within a range of policies, including labour, education, trade and business development.

Guiding questions	Answer
<p><b>1</b> Is there an explicit bias against women in the current legislative framework on tax?</p>	
<p><b>2</b> Has fiscal incidence analysis considered tax systems as a whole?</p>	
<p><b>3</b> Has gendered fiscal incidence analysis been undertaken?</p>	
<p><b>4</b> Have the gender outcomes of specific taxes been analysed, including VAT, consumption taxes, income tax, inheritance tax, corporation taxes? Does such analysis find indirect discrimination? It is possible to address such discrimination?</p>	
<p><b>5</b> Do current tax policies actively target gender outcomes in the formal sector? (e.g. Do industries get a tax break to employ women? Do women entrepreneurs get tax breaks? Are interest rates/the cost of borrowing lower for women? Are there tax breaks for women buying property?)</p>	
<p><b>6</b> What taxes do women working in the informal sector pay (e.g. informal, nuisance, indirect taxes)? How fair are these taxes and how do women benefit from paying these taxes?</p>	
<p><b>7</b> Are there any entry points into mainstream gender and tax in other policy domains (e.g. labour/trade/education policy reform)?</p>	
<p><b>8</b> How effective is the PFM system in allowing governments to implement tax reforms?</p>	

## e. Tax programmes

Tax programmes need a whole-of-system approach to addressing gender issues. Government and tax authorities need to be gender aware, to understand sensitivities and to find the right language to communicate with officials and other stakeholders. Programmes need to leverage high-level policymakers, while also engaging with specific women taxpayers. The questions below should be considered in conjunction with more topic-specific questions.

Guiding questions		Answer
<b>Design phase</b>		
1	Does the design of tax programmes raise and address gender issues in relation to tax data, governance, tax administration and tax policy? (Are the questions in this guide being asked?)	
2	What drives these programmes to include gender issues in tax programming, both in terms of gender equality and economic growth?	
3	Are women tax experts, gender experts and/or women groups included in reviewing programme design?	
4	Can tax programmes be tailored to target specific female groups (e.g. informal workers, micro-entrepreneurs, women with disabilities, rural women, young women, etc.)?	
<b>Implementation phase</b>		
5	Are all relevant stakeholders aware of the potential of gender interventions to improve the quality of tax programmes?	
6	Do programmes increase information given to women taxpayers and incentivise their engagement?	
7	How much leverage do implementation partners have to engage with high-level policymakers on gender and tax?	
8	What is the gender balance of those delivering the programme?	
<b>Monitoring and evaluation phase</b>		
9	Do appropriate indicators in the tax programme reflect on gender issues?	
10	Are information systems built into the programme to identify changing opportunities and risks for women early on?	
11	Are data collected through the tax programme disaggregated (e.g. at least by gender)?	
12	Is learning shared amongst other tax programmers in other partner countries?	

## f. Stakeholders

Coalition building could be an effective tool even where there are good entry points for soft power and a trusted relationship with the government, as it is helpful to engage with local partners and support coalitions of trusted organisations on specific topics. The FCDO could involve organisations such as CSOs in political dialogues, build bridges to engage with multiple stakeholders, and increase their capabilities and capacities in relation to tax reform. Additionally, the private sector could provide powerful allies to support proposed reform, as they could influence government.

Guiding questions		Answer
1	Are women's organisations and CSOs already working on the topic of gender and tax?	
2	With the right training, would CSOs working on women's economic justice be interested in extending their portfolio to include tax?	
3	Can other gender advocates and champions be identified to work on tax?	
4	What knowledge institutions are present in the partner country that could collaborate on local research?	
5	Which private sector actors could support or champion reform in this area?	
6	Are there any entry points to work with other development partners (e.g. bilateral and multilateral organisations)?	
7	Would a local community of practice make it possible to share experience and best practices, and coordinate gender and tax programmes?	
8	Could a coalition of local stakeholders be built and supported to increase awareness and leverage on gender and tax? If so, who should be involved?	