



# TAX & GENDER: INCLUSIVE BY DESIGN

WHY TAX POLICY & TAX ADMINISTRATION MATTER FOR GENDER EQUALITY

PCT Workshop on The Role of Taxation in Promoting Gender Equality, 11 June 2021

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# Tax & gender at the OECD

- Gender equity is an integral part of achieving tax design that supports inclusive growth (OECD, 2018):
  - SDG 5 calls for ending all discrimination against women & promoting their full & effective participation in the economy
  - Improving gender equity can contribute to economic growth – & gender discrimination has a very real economic cost
- All forms of taxation can display implicit & explicit gender biases that worsen gender equality:
  - Assessing the impact of taxation on gender, & particularly its hidden impacts, should be a core part of the tax policy design process
  - Improving data on tax impacts & economic participation by gender is an important first step
  - Tax administration should ensure paying taxes is simple & safe for women & women headed businesses
- COVID-19 impacts on gender equity are still emerging. The 'gender landscape' has changed; understanding the risks, challenges & opportunities is paramount.



# Stocktaking country approaches to tax & gender

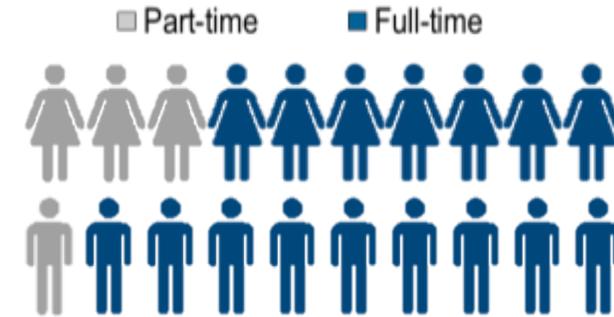
- The OECD is undertaking a survey of ministries of finance to understand country approaches to tax policy & gender equality, covering:
  - Historic & current examples of explicit bias
  - Implicit biases across all tax types (e.g. personal & corporate income taxes, consumption taxes, property & wealth taxes)
  - Country analysis already done on tax & gender implications of tax policy
  - Key areas of concern for implicit gender bias in the tax system
  - Information on whether/how the impact of taxes on gender fits within the tax policy development process
  - Availability of gender disaggregated data for tax policy analysis
- Survey is open to all OECD & Inclusive Framework member countries;
- Overview paper of key issues in country tax policy & gender discussions will be prepared, in collaboration with country delegates, for publication in early 2022.



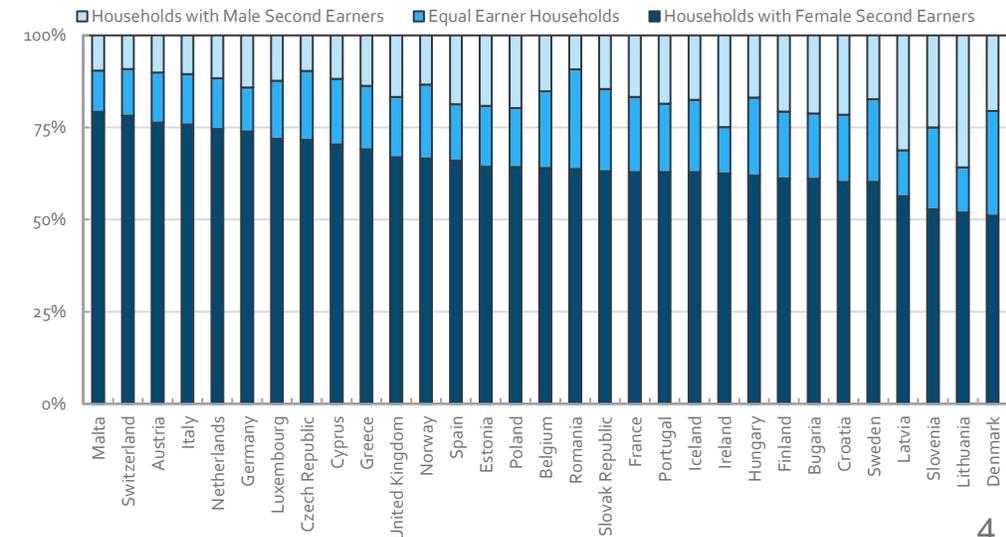
# Labour taxation & implicit gender bias

- Differences between men & women in the labour market can result in differing tax outcomes:
  - Women have lower labour participation rates, are more likely to work part-time, & more likely to be second earners
  - The gender wage gap & progressivity of the tax system
  - Responsiveness of men & women to changes in income taxation
- These implications matter, affecting women's:
  - Incentives to work
  - Income levels & intra-household income allocation
  - Pensions & social protection
- The OECD *Taxing Wages* models offer a framework for assessing the impacts of labour taxation on women.

Prevalence of part-time work (OECD)



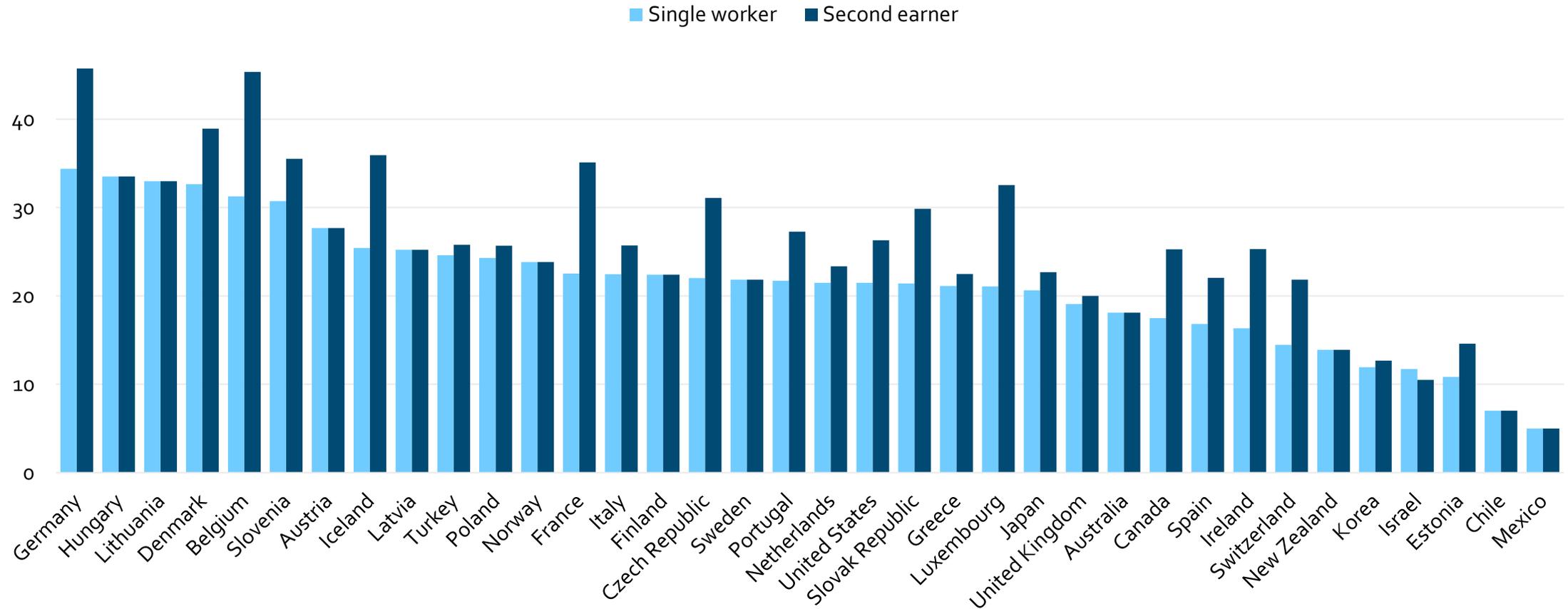
Second Earners by Gender (Europe)





# Second earners face higher net personal average tax rates than single earners

Net Personal Average Tax Rates, 2019  
Single & second earner at 67% of the AW (primary earner at AW), no children





# Forum On Tax Administration: Gender Balance Network

- Forum on Tax Administration (FTA) is a Tax Commissioner led body within the OECD
- Broad work programme that looks to increase fairness, efficiency & effectiveness of tax administration which for many will include the development, implementation & operation of tax policy
- Tax Administration Series 2019 examined gender diversity at an executive level in and found that female staff are proportionally underrepresented in executive positions. This picture remains unchanged in the upcoming publication.
- The Gender Balance Network (GBN) was created in 2019 to maximise the benefits of a positive gender balance within tax administrations





# Forum On Tax Administration: Gender Balance Network

## GBN Activity to date:

- Panel pledge
- Report: Advancing Gender Balance in the workplace
- Letter: Gender Balance & COVID-19: Risks, Challenges & Opportunities

## Planned activity in 2021/22

- Examining impacts of **COVID-19**
- Share best practices and approaches in tackling **unconscious bias**
- Develop a **mentoring and secondment** programme



# For more information, please see

CTPA, March on Gender (2021), In tax, gender-blind is not gender-neutral: how tax policy in times of COVID-19 must consider women:

<https://www.oecd.org/tax/tax-and-gender-march-on-gender-2021.htm>

CTPA, Tax & Gender: Releasing potential & promoting equality (2021): <https://www.youtube.com/watch?v=FGdXaCfEpyQ&feature=youtu.be>

FTA Gender Balance Network, Advancing Gender Balance in the Workforce: A Collective Responsibility (2020): <https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/advancing-gender-balance-in-the-workforce-a-collective-responsibility.pdf>

Harding, M., Perez-Navarro, G. & Simon, H. (2020), In Tax, Gender Blind is not Gender Neutral: why tax policy responses to COVID-19 must consider women

<https://oecdecoscope.blog/2020/06/01/in-tax-gender-blind-is-not-gender-neutral-why-tax-policy-responses-to-covid-19-must-consider-women/>

Forum on Tax Administration (FTA), Gender Balance Network (2020), Commissioners Letter: Gender Balance & COVID-19: Risks, Challenges & Opportunities: <https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/letter-gender-balance-network-covid19-risks-challenges-opportunities.pdf>

Forum on Tax Administration (FTA), Gender Balance Network (2019): [Commissioner Conversations: Gender balance in tax administrations - YouTube](#)

Milanez, A. & B. Bratta (2019), Taxation & the future of work: How tax systems influence choice of employment form, OECD Taxation Working Papers:

<https://www.oecd-ilibrary.org/docserver/20f7164a-en.pdf?expires=1615988918&id=id&accname=ocid84004878&checksum=4F1046B7D56C026054FC53441540E4A7>

O'Reilly, P (2018), Tax policies for inclusive growth in a changing world: [https://www.oecd-ilibrary.org/taxation/tax-policies-for-inclusive-growth-in-a-changing-world\\_1fdafe21-en](https://www.oecd-ilibrary.org/taxation/tax-policies-for-inclusive-growth-in-a-changing-world_1fdafe21-en)

Alastair, T. & O'Reilly, P. (2016), The Impact of Tax & Benefit Systems on the Workforce Participation Incentives of Women, OECD Taxation Working Papers:

<https://www.oecd-ilibrary.org/docserver/d950acfc-en.pdf?expires=1615988294&id=id&accname=guest&checksum=33571355310481B48F7BFBE8DA9259888>



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