

#ZacTax for Gender Justice

Zacchaeus Tax (ZacTax) is an ecumenical campaign by churches, seeking a transformed global tax system that acts like the biblical character Zacchaeus, delivering equity and making reparation for historic and structural injustice.

Why should communities and women of faith care about taxation? Tax policies can hamper or help build a more equitable and gender-just world. It can shape the economy in ways that affect, either for better or for worse, women's wellbeing and empowerment. As an important source of revenue, taxation enables our governments to pursue social and ecological goals as well as provide key public services and social protection, which women, especially impoverished women, depend on more than men.

Because of women's unequal position in the workforce, manifesting in a persistent gender wage gap, and their greater responsibility for unpaid care work in households and communities, women tend to experience the impacts of tax policies differently from men. For instance, VAT and other regressive consumption taxes (favoured and in some cases imposed by the International Monetary Fund as a policy conditionality on indebted countries) are known to impose a heavier burden on women as women tend to spend more of their earnings on basic goods and everyday essentials for the family.[1]

As part of their human rights obligations to citizens, governments need to mobilise resources to pay for primary education, healthcare including sexual and reproductive health services, affordable public housing, safe public transportation, clean water and sanitation, among others. These investments are critical for alleviating poverty which has increasingly taken on a feminine face, particularly in the aftermath of the COVID-19 pandemic. These investments also promote decent work in the public service sector as well as lessen women's load of unremunerated care work, thereby allowing women more time for study, political and community engagement, and self-care.

- Women devote 2.5 times more hours to domestic work and child care than men. They are obliged to take on an even larger share of unpaid work when social services are reduced due to lack of public funding.
- Women make up most of the workers in public healthcare and education sectors. When public services are slashed because corporations and the rich don't pay their fair share of taxes, female public service workers who endure wage cuts or lose their jobs are twice affected.
- Where there is no delivery of tax-supported public water services, women and girls are burdened by the task of collecting water, making them susceptible to violence, and keeping them away from school and paid employment.
- Tax-supported public education systems enable girls living in poverty to attend school and achieve a better future for themselves and their communities.[2]

ZacTax calls for the enactment of progressive wealth taxes at global and national levels to curb the growing concentration of wealth in the hands of an increasingly powerful few, hand-in-hand with increased public spending to stamp out poverty. Shockingly, 252 of some of the richest men possess more wealth than 1 billion women and girls in Africa, Latin America and the Caribbean combined![3] Taxing the richest ensures that wealth that is created by workers and subsidised by unpaid women's work is redistributed, helping at the same time to rebuild trust in democratic institutions and systems that respect and protect women's rights.

Raising tax revenues from wealth would also reduce the tax burden on women and poor families who, through VAT and other regressive taxes, are significant contributors to tax revenues in developing countries.

As men generally have greater shares of wealth and income, especially financial savings and pension wealth, compared to women, the prevailing low tax regimes on wealth and capital gains relative to wages disproportionately benefit men as well as increase gender inequality. Thus, implementing progressive wealth taxes would help to diminish wealth disparities between women and men.[4]

At the same time, wealth taxes would help to finance critical public services and social infrastructure, supporting women living in poverty, further reducing gender inequalities, and helping to build a more caring economy for all.[5]

“Wealth taxes are important...Such taxes could enable us to confront debt, which deepened during the pandemic.”

-Verónica Serafini (Paraguay) [6]

ZacTax demands a stop to tax evasion and avoidance by multinational corporations (MNCs) and affluent individuals. The wealthy bloc of OECD countries, where many MNCs are headquartered, has long been writing global tax rules...to the disadvantage of developing countries and women in the developing world.

Taxation is the most significant and reliable source of financing available to governments to tackle inequalities, including gender inequality. However, tax mobilisation is consistently undermined by corporate profit-shifting and underreporting as well as the use of off-shore accounts to hide wealth. Tax dodging by MNCs and the super-rich deprives governments, especially those of developing countries, of resources for programmes aimed at meeting women’s rights and achieving gender parity in the socio-economic arena.

Ensuring MNCs pay their fair share of taxes – through the development of an international convention on tax cooperation at the United Nations (UN), closing legal and other loopholes, and cracking down on tax havens – would help fund education, training, and other initiatives that promote gender equity. Moreover, lodging international tax cooperation negotiations within the UN system can help to guarantee that international tax policy-making advances the Sustainable Development Goals (SDGs), not least SDG 5 on gender equality.[7]

ZacTax calls for progressive carbon and pollution taxes at different levels to protect our only planetary home. Women bear the brunt of the impacts of climate change, again in large part due to their roles in society. From Africa to the Pacific, women are reporting that their access to water and food is being severely undermined by a rapidly warming climate. Climate-related losses and damages are projected to cost developing countries up to USD 600 billion a year while adaptation would add hundreds of billions of dollars more to the bill. The principles of climate justice demand that these costs are not borne by those who have scant resources and contribute least to greenhouse gas emissions. It is the polluters who must pay.

Carbon taxes levied on big oil and gas producers as well as affluent consumers – together with the elimination of subsidies for fossil fuel production – tackle head-on a major cause of climate change: the under-pricing and over-utilisation of fossil fuels. They can and should be designed in ways to overcome gender inequalities, such as using the revenues to compensate low-income families and women for potential increases in energy costs and for responding to the life-threatening impacts of climate change.[8]

ZacTax calls for the immediate implementation of a financial transaction tax on trade in equities, bonds, currencies and derivatives to curb harmful speculative activities. Speculation in financial markets can create financial instability and trigger destructive financial and economic crises on a global scale...as we learned from the 2008 Great Financial Crash. Another thing we learned is that financial and economic crises tend to aggravate gender inequalities in terms of health, education, and work.[9] Such crises often result in the intensification of women’s unpaid care work. Therefore, a financial transaction tax that discourages short-term speculation and helps to control volatility in financial markets would be in women’s interests and serve women’s rights.[10] The revenues raised from such taxes might also be deployed towards addressing intersecting social inequalities as well as making reparation for slavery and other historic injustices.

[1] <https://www.brettonwoodsproject.org/wp-content/uploads/2017/04/IMF-and-Gender-Equality-VAT-1.pdf>

[2] https://www.ohchr.org/sites/default/files/Documents/Issues/Development/IEDebt/WomenAusterity/GlobalAllianceTaxJustice_1.pdf

[3] <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621341/bp-inequality-kills-170122-sum-en.pdf?sequence=2>

[4] <https://wbg.org.uk/wp-content/uploads/2020/03/Paper-2-Wealth-tax-and-gender.pdf>

[5] <https://wbg.org.uk/analysis/reports/why-taxation-of-wealth-is-a-feminist-issue-a-gendered-analysis-of-wealth-in-great-britain/>

[6] <https://globaltaxjustice.org/news/wealth-taxes-are-a-critical-tool-to-address-gender-inequality/>

[7] <https://globaltaxjustice.org/news/wealth-taxes-are-a-critical-tool-to-address-gender-inequality/>

[8] https://genderandsecurity.org/sites/default/files/Chalifour_-_Fmst_Perspective_on_Carbon_Taxes.pdf

[9] https://www.unaids.org/sites/default/files/media_asset/JC2368_impact-economic-crisis-women_en_0.pdf

[10] <https://www.awid.org/news-and-analysis/can-financial-transaction-taxes-help-finance-development-line-human-rights>