

# ***Tax/Transfer Policy and Sex Equality:***

## ***What Australia, Canada, and UK should learn from experience***

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Gender Institute and Tax Transfer Policy Institute, ANU  
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# ***Lessons that Australia, Canada, and the UK should learn from experience:***

## **I Gender impact analysis is here to stay:**

It is time to stop avoiding GAI and gender budgeting, and put it to work.

# *Pragmatic 'cases' for gender equality:*

- **Business case:** Gender diversity increases organizations' performance in leadership, innovation, and accountability
- **Economic case:** Gender equality expands human capabilities and fiscal resources, and enhances social reproduction and stable economic growth
- **Wellbeing case:** Gender equality in paid and unpaid work, leisure, education, and caregiving increases health and wellbeing
- **Stability and recovery case:** Increased gender equality increases equal sharing of incomes and wealth, and thus increases economic durability during crises and recessions
- **Reducing extreme inequalities and poverty case:** Increased gender equality counters high concentrations of incomes and wealth in the hands of the few and poverty of many

# ***International human rights instruments apply to gender status and fiscal laws:***

- Universal Declaration of Human Rights (1948)
- International Covenant on Economic, Social and Cultural Rights (1966)
- European Social Charter (1961, revised 1996)
- American Convention on Human Rights (1969)
- Convention on the Elimination of All Forms of Discrimination against Women (1979, 1981)
- African Charter of Human and Peoples' Rights (1981, 1986)
- Cha-Am Hua Hin Declaration on the Intergovernmental Commission on Human Rights of the Association of Southeast Asian Nations (ASEAN) (2009)

# ***CEDAW requires substantive equality:***

- ***Article 1:*** **sex discrimination:** 'any distinction' interfering with women's rights and freedoms 'in the political, economic, social, cultural, civil or any other field'
- ***Article 2:*** states to secure equality in constitution and all legislation, policies, and practices
- ***Article 3:*** states to take 'all appropriate measures...to secure the 'full development and advancement of women'
- ***Article 4:*** including ameliorative steps
- ***Article 5:*** eliminate all 'prejudices and customary and all other practices...based on the idea of the inferiority or...stereotyped roles of women'

## ***'Equal terms' include key fundamental substantive social and economic rights:***

- Removal of all barriers to women's access to paid work, including sex role stereotypes, social traditions, and constraints on choice
- Shared responsibility for the effects of pregnancy and childbirth on women by parents and society as a whole
- Shared responsibilities for the care of all dependent persons by all family members and society as a whole
- Gender-specific measures where necessary

# ***CEDAW: Tax/transfer laws affect specific economic equality rights:***

- *Article 11(1)(d), (e):* full actual equality in employment, remuneration, benefits, and social security
- *Article 11(2)(b), (c), (d):* remove sex barriers to full participation in public life and paid work, including adequate maternity leave, job protection rights, and child care resources
- *Article 13(a)-(c):* equal economic and social benefits, especially family benefits, credit, and recreational/cultural resources
- *Article 14(1), (2):* extends to development needs of women in unpaid or subsistence areas
- *Article 16:* women are not subsumed within rights or power of spouse

# ***CEDAW: Enumerated obligations:***

- Article 6:*** trafficking/prostitution
- Article 7:*** political rights
- Article 8:*** involvement in foreign affairs
- Article 9:*** nationality
- Article 10:*** education (including sport, health)
- Article 11:*** employment (including maternity)
- Article 12:*** health care
- Article 13:*** economic/social life
- Article 14:*** rural, subsistence, development
- Article 15:*** legal capacity and personality
- Article 16:*** marriage and family law



# *Beijing Platform:* **'Gender mainstreaming'**

'Gender mainstreaming is the process of assessing the implications for women and men of any planned action, including legislation, policies and programmes, **in all areas and at all levels**, and as a strategy for making women's as well as men's concerns and experiences **an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and social spheres** so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.'

[ECOSOC 1997/2, res 2006/36]

# Implementing CEDAW -- Beijing *Platform for Action*:

## **10 strategic policy areas (361 paras)**

- poverty (47-68)
- education and training (69-88)
- health (89-111)
- violence (112-130)
- armed conflict (131-149)
- the economy (150-180)
- power and decision-making (181-195)
- institutional mechanisms (196-209)
- human rights of women (210-233)
- the media (234-245)
- the environment (246-258)
- girl children (259-285)

# ***Beijing Platform* fiscal obligations (par. 58)**

- (a) Review and modify, with the full and equal participation of women, **macroeconomic and social policies** [re] the Platform for Action;
  
- (b) Analyse, from a gender perspective, policies and programmes - including those related to **macroeconomic stability, structural adjustment, external debt problems, taxation, investments, employment, markets and all relevant sectors of the economy** - with respect to their impact on poverty, on inequality and particularly on women; assess their impact on family well-being and conditions and adjust them, as appropriate, to promote more equitable **distribution of productive assets, wealth, opportunities, income and services**;
  
- (c) Pursue and implement sound and stable macroeconomic and sectoral **policies...designed and monitored with the full and equal participation of women**, encourage broad-based sustained economic growth, address the structural causes of poverty and reduc[e] gender-based inequality within the overall framework of achieving people-centred sustainable development;
  
- (d) Restructure and target the allocation of **public expenditures to promote women's economic opportunities and equal access to productive resources and to address the basic social, educational and health needs of women, particularly those living in poverty; ...**

# ***Beijing+20 review and 2015-2030 Sustainable Development Goals (SDGs):***

- SDGs confirm that gender equality is a core fundamental outcome to be built into all laws, policies, and practices
- UN Financing for Development and Financing for Social Development outcome documents include gender equality in all macroeconomic and other fiscal policies
- Governments are now expected to implement gender budget analysis on an ongoing basis and collect adequate data for GAI in all policy areas
- All levels of government are to collect data and other research evidence required for application of 167 SDG indicators of progress in meeting all gender equality and 16 other SDG goals
- Major international organizations all committed to GE/SDGs

# ***Gender budget analysis includes analysis of all tax/transfer policies:***

- 'Gender budgeting' analysis is essentially gender-based analysis of each policy announced in government budgets
- Gender budget analysis includes gender impact analysis of all fiscal and economic policies
- Current budgets provide a good focus for 'snapshots' of actual government priorities
- Direct government expenditures, tax cuts/benefits, and net loans are treated as interchangeable forms of spending
- The form of spending, access, and relative amounts of budget items all affect their gender impact

# *Parity = equality in relation to --*

- Regional or national economic development initiatives
- Business innovation and productivity incentives
- Policies designed to ameliorate the impact of recessions
- Gender impact of austerity, recovery, and adjustment policies, as between women and men
- Policy categories:
  - Revenue production
  - Spending
  - Deficit funding
  - Regulatory authority
  - Transnational relations
  - IFIs, RGOs, NGOs

# ***Economic gender equality indicators:***

- **Women's and men's employment rates, plus**
  - Shares of all fulltime paid work
  - Shares of all parttime paid work
- **Women's and men's shares of total work time, plus**
  - Shares of paid work hours
  - Shares of unpaid work hours
- **Women's and men's shares of incomes, consisting of**
  - Total incomes before tax
  - Total after-tax incomes
  - Total earnings, overall and by age
- **Women's benefits from education:**
  - Size of gender gap at each level of educational attainment
  - Gender gap expresses women's incomes as a percentage of men's incomes at each level

# ***Gender-based analysis programs in place:***

- Canada: *Federal Plan for Equality* (1995)
- All federal government departments
- All provincial governments
- Many municipal governments
- International governance bodies: EC, EU,
- International organizations (IOs): UNDP, ILO, UN General Assembly
- International financial organisations (IFIs): IMF, World Bank, OECD (WTO)
- Nongovernmental organization (NGOs): UNICEF, Oxfam



# ***Blok et al. v. The Netherlands,***

UN Committee on the Elimination of Discrimination against Women (2014)

**Par. 8.6:** ‘...by ratifying the Convention and the Optional Protocol thereto, the State party committed itself to providing remedies to individuals who were victims of violations of their rights under the Convention.’

‘... the State party has thus an obligation to give effect to the provisions of the Convention (art. 18 of the Convention) or to fulfil or ensure the application of the provisions of the Convention....’

**Par. 8.7:** ‘...notwithstanding the existence of a certain margin of appreciation of States parties in respect of the application in practice of their obligations under article 11(2)(b) of the Convention....’

**Par. 9:** The CEDAW found that the Netherlands had violated its treaty obligations of nondiscrimination, and recommended that the state ‘provide reparation, including appropriate monetary compensation, for the loss of maternity benefits.’

# ***Inquiry Report concerning Canada,***

UN Committee on the Elimination of Discrimination against Women (2015)

**Par. 215:** ‘The Committee is of the view that the State party has violated the rights of Aboriginal women victims of violence, in particular those victims of murder and disappearance and their family members, under articles 1, 2, paragraphs (c) (d) and (e), 3, and 5 (a), read in conjunction with articles 14 (1) and 15 paragraph (1), of the Convention and has failed to fulfil recommendations in the Committee’s previous concluding observations and its General Recommendations Nos. 19 and 28. The Committee makes the following recommendations to the State party, which should be considered and implemented as a whole, namely including the recommendations to improve the socio-economic situation of Aboriginal women, in order to fully address the issue of missing and murdered Aboriginal women as well as all other forms of violence that they experience.’

**Par. 216: Five pages (47-51) of detailed recommendations requiring --**

- Combating violence against Aboriginal women
- Improving socio-economic conditions of Aboriginal women
- Overcoming the legacy of the colonial period and eliminating discrimination against Aboriginal women
- National public inquiry and plan of action

# ***Inquiry Report concerning Canada,***

UN Committee on the Elimination of Discrimination against Women (2015)

## **Par. 216(X)(B):**

- i. Take comprehensive measures to significantly improve the socio-economic condition of the Aboriginal community, including the particular conditions affecting Aboriginal women, both on-and off-reserve.
- ii. Collect data, disaggregated by sex and Aboriginal/non-Aboriginal status on social and economic conditions of members of the Aboriginal community, both on- and off-reserve;
- iii. Develop national anti-poverty, food security, housing, education and employment strategies focusing on women in the Aboriginal community; take measures to increase access to health services, including mental health services and drug dependency treatment; ensure access to sanitation and safe drinking water; and develop adequate public transport in areas and along highways where Aboriginal women are in danger when moving between communities and travelling to work or school;
- iv. Address the issue of the disproportionately high number of Aboriginal children institutionalized by child welfare authorities which impacts on Aboriginal women's vulnerability to violence as they are reluctant to seek help from authorities for fear that their children be taken away.

# ***Lessons that Australia, Canada, and the UK should learn from experience:***

## **I Gender impact analysis is here to stay:**

It is time to stop avoiding GAI and gender budgeting, and put it to work.

## **II Tax cuts may buy votes – but they dismantle democracy:**

Tax and spending cuts privatize public fiscal space, liquidate public capital, deconstruct public goods, and create intergenerational inequalities.

# ***Market fundamentalism, increasing income inequalities, and taxation:***

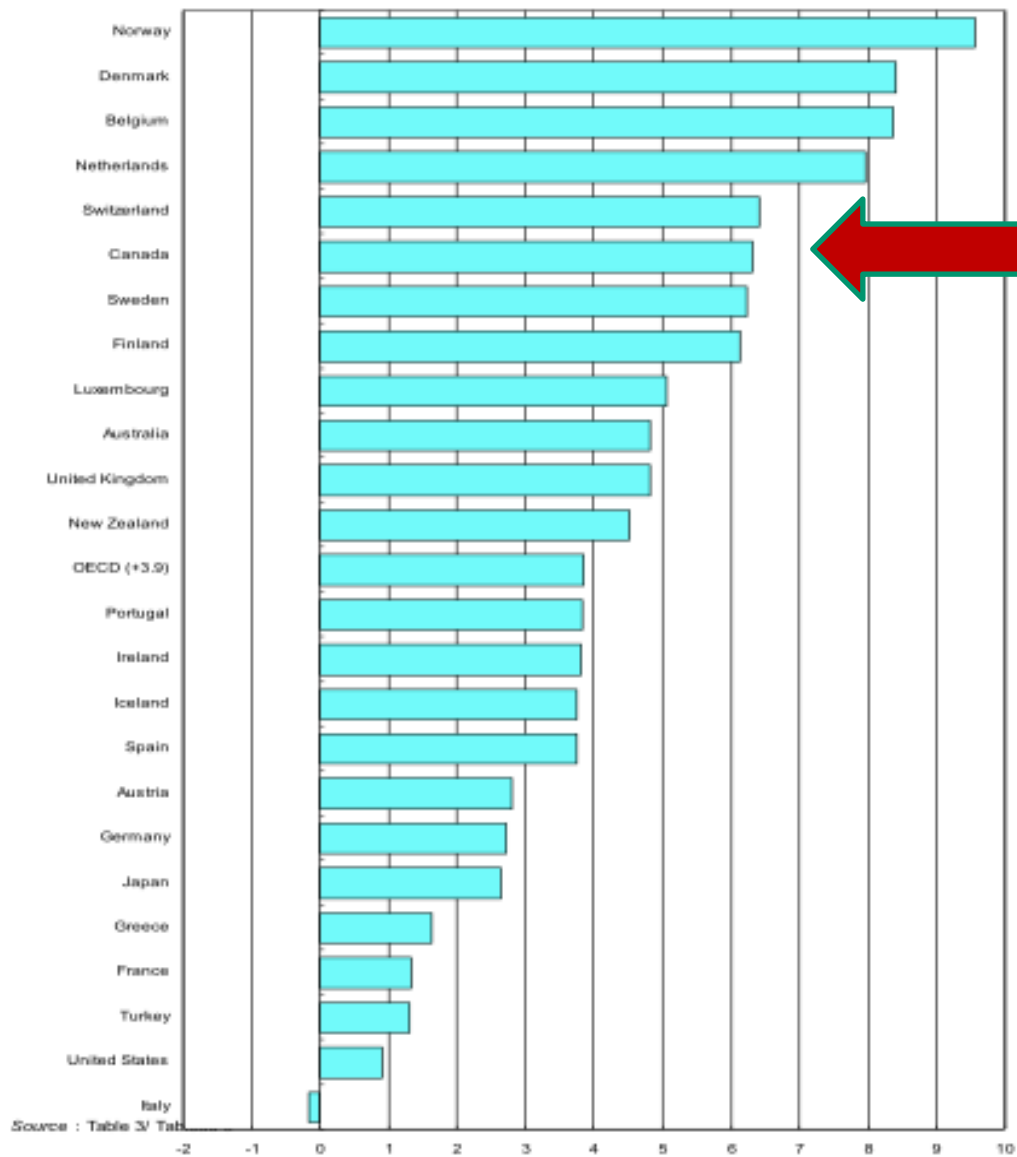
- Globalized tax competition has accompanied internationalization of trade and manufacturing.
- From the early 1970s, successive waves of structural detaxation and the expanded use of tax benefits began longterm erosion of government revenues.
- Economic crises over the last decades have placed ongoing pressure on governments to cut taxes – and, increasingly – to cut public spending on income security, health care, social welfare, education, and infrastructure.
- At the same time, corporations and wealthy individuals have enjoyed large tax cuts, increased tax benefits, access to state capital, offshoring, and tax havens -- while ordinary people have faced continued deterioration in labour market incomes, core public services, economic stability, and opportunities.
- Tax 'reform' often concentrates after-tax wealth in the hands of the ultra-rich in numerous ways -- all of which disproportionately disadvantage women and migrating, Indigenous, racialized, and disabled individuals.

# ***'Going for growth' and 'taxing for growth' drive detaxation and income inequality --***

- 'Going for growth' claims that tax cuts will accelerate business investment, increase employment, and grow GDP
- 'Taxing for growth' reduces business taxes and local costs and leaves human and social costs on the ground -- with national governments
- The formula for 'taxing for growth' combines detaxation, flattening tax rates, reducing employment benefits and security, increasing income inequalities – and making a 'business case' for women's increased involvement in paid work –
  - 1 Reduce corporate and top personal income tax rates
  - 2 Increase local taxes – property, VAT, and environmental taxes
  - 3 Reduce benefits for retirement, disability, unemployment
  - 4 Eliminate subsidies for housing costs
  - 5 Use tax subsidies only to reward business investment (eg, SEZs)
  - 6 Eliminate sector and trade subsidies and barriers to capital flows
  - 7 Implicit acceptance of offshoring, tax havens, and illicit flows
  - 8 **Increase married women's involvement in paid work**

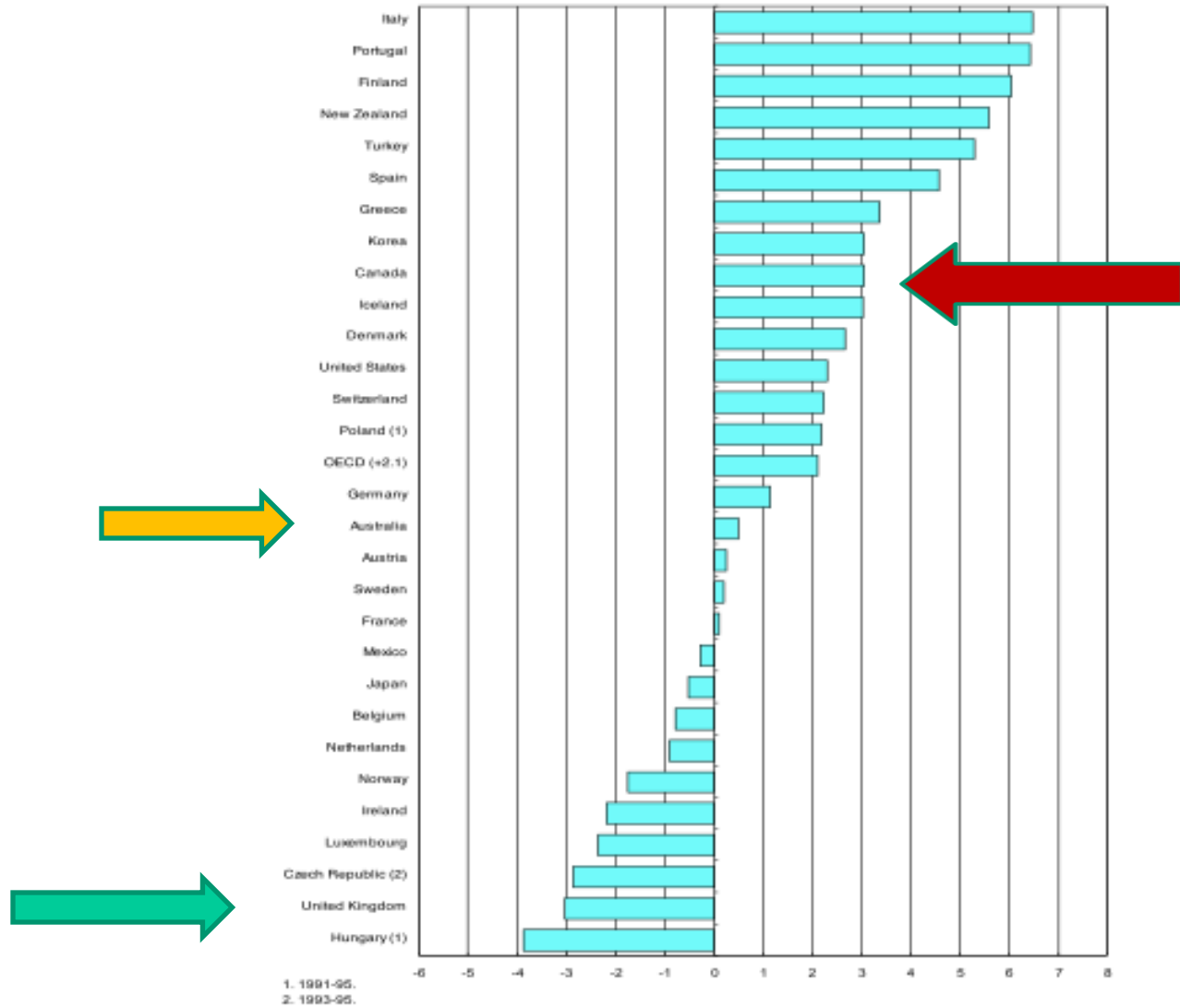
***(OECD Going for Growth series)***

Chart B. Changes in tax to GDP ratio (in percentage points)  
Graphique B. Variations du niveau d'imposition (en points de pourcentage)  
1965-1975

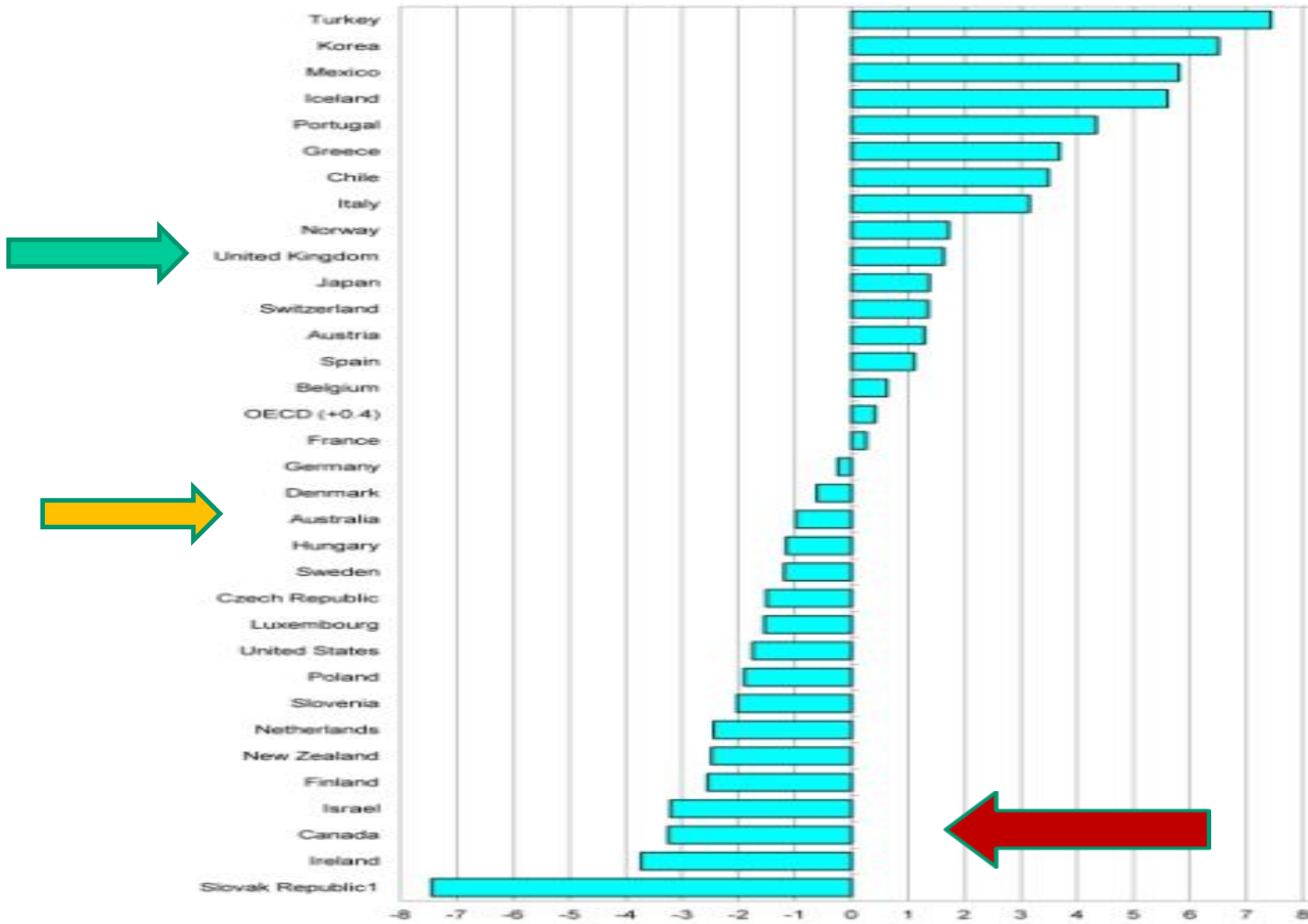


Source : Table 3/ Tab

Chart D. Changes in tax to GDP ratio (in percentage points)  
 Graphique D. Variations du niveau d'imposition (en points de pourcentage)  
 1985-1995

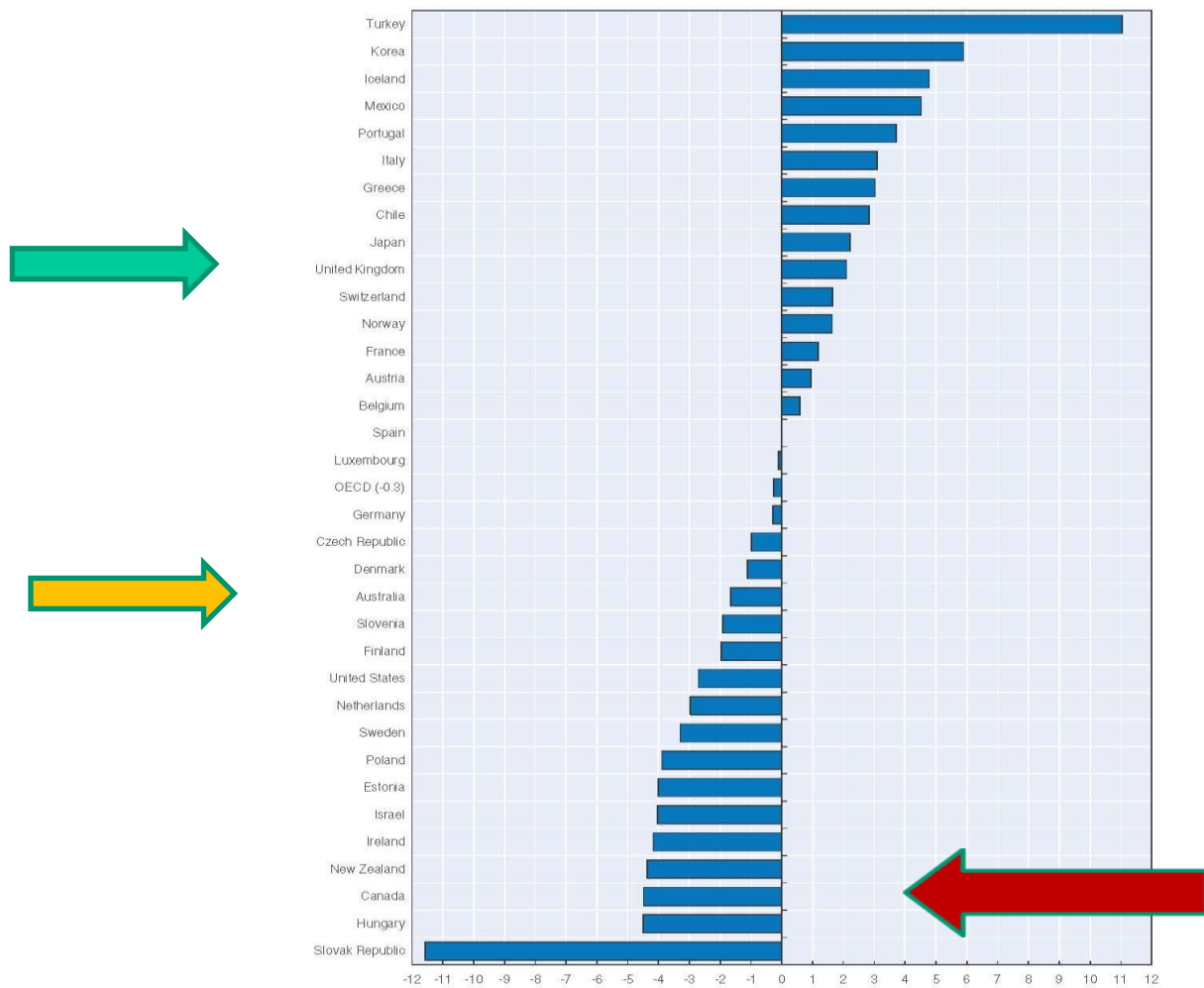






Source: OECD, Revenue Statistics 1965-2009 (2010), p. 36.

Chart E. **Changes in tax to GDP ratio (in percentage points)**  
 Graphique E. **Variations du niveau d'imposition (en points de pourcentage)**  
 1995-2011



Source: Table 2./Tableau 2.

StatLink <http://dx.doi.org/10.1787/888932945224>

# ***Lessons that Australia, Canada, and the UK should learn from experience:***

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## **II Tax cuts may buy votes – but they dismantle democracy:**

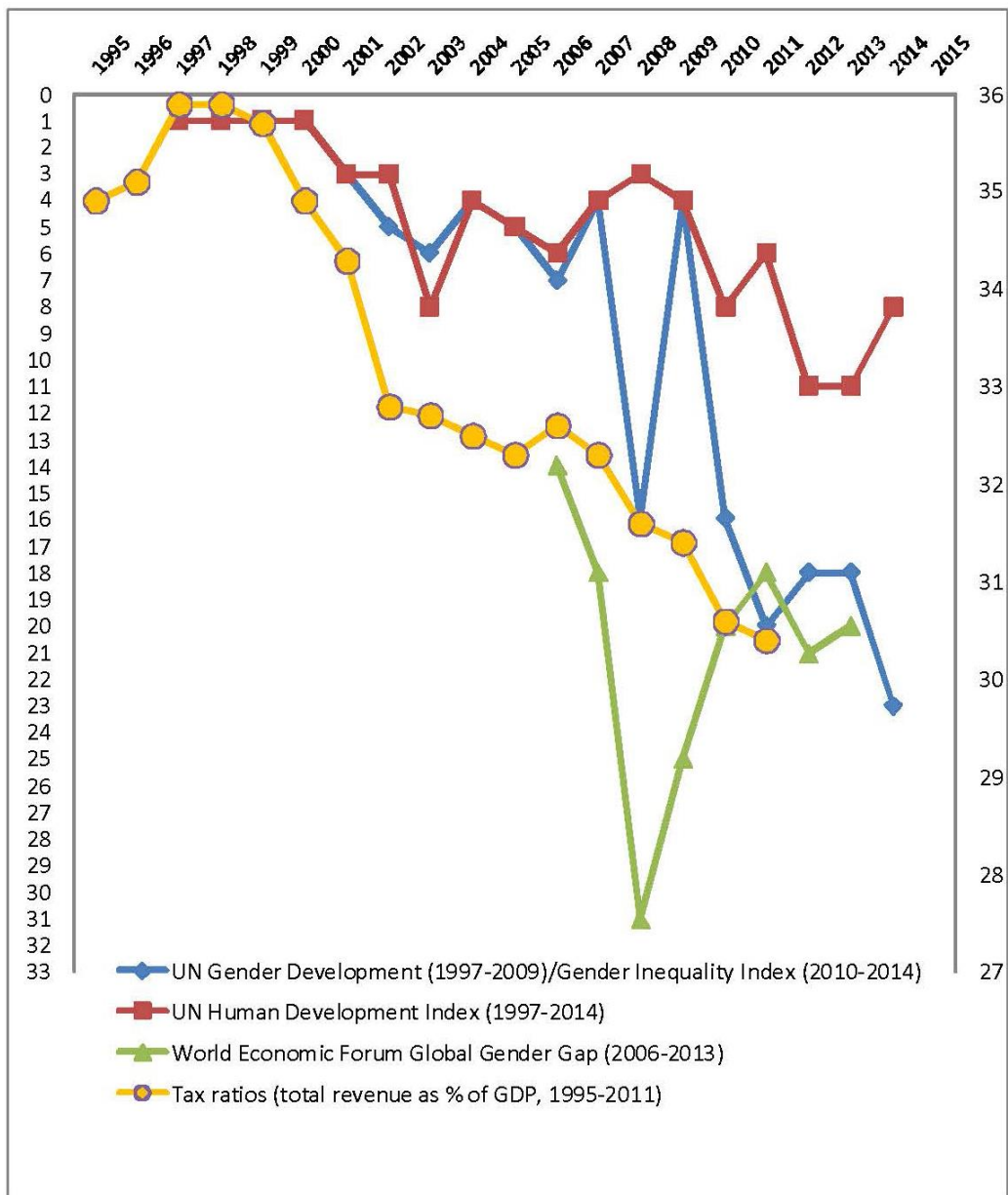
Tax and spending cuts privatize public fiscal space, liquidate public capital, deconstruct public goods, and create intergenerational inequalities.

## **III Women are not endless resources for social, physical, and fiscal reproduction – like the biosphere, women have factual limits:**

Governments can and should reduce economic inequalities; that is their job.

# ***Taxation and the status of women:***

- Tax laws reflect and magnify women's longstanding economic disadvantages in monetized systems, and under-benefit women with low or informal incomes:
  - Lower incomes, precarious paid work, little wealth, leisure, or governance power
  - Substantially more unpaid work than men – especially unavoidable care work
  - Exacerbated by poverty, race, Indigenous heritage, disability, low levels of income
- Men's much larger shares of good paid work, incomes, capital, social benefits, leisure, tax incentives, and governance power ensure that existing gender distributions remain remarkably durable
- Effective anti-discrimination laws can enforce rights to equal market incomes and can dismantle tax laws that take more work and tax revenue from women as compared to men
- Tax-transfer systems can redistribute economic power to some extent, but do not aspire to produce after-tax equality
- Detaxation, tax expenditures, joint fiscal laws, offshore, and unreported incomes all reduce national revenue capacities -- and then justify government austerities that hit women first, hardest, and most permanently



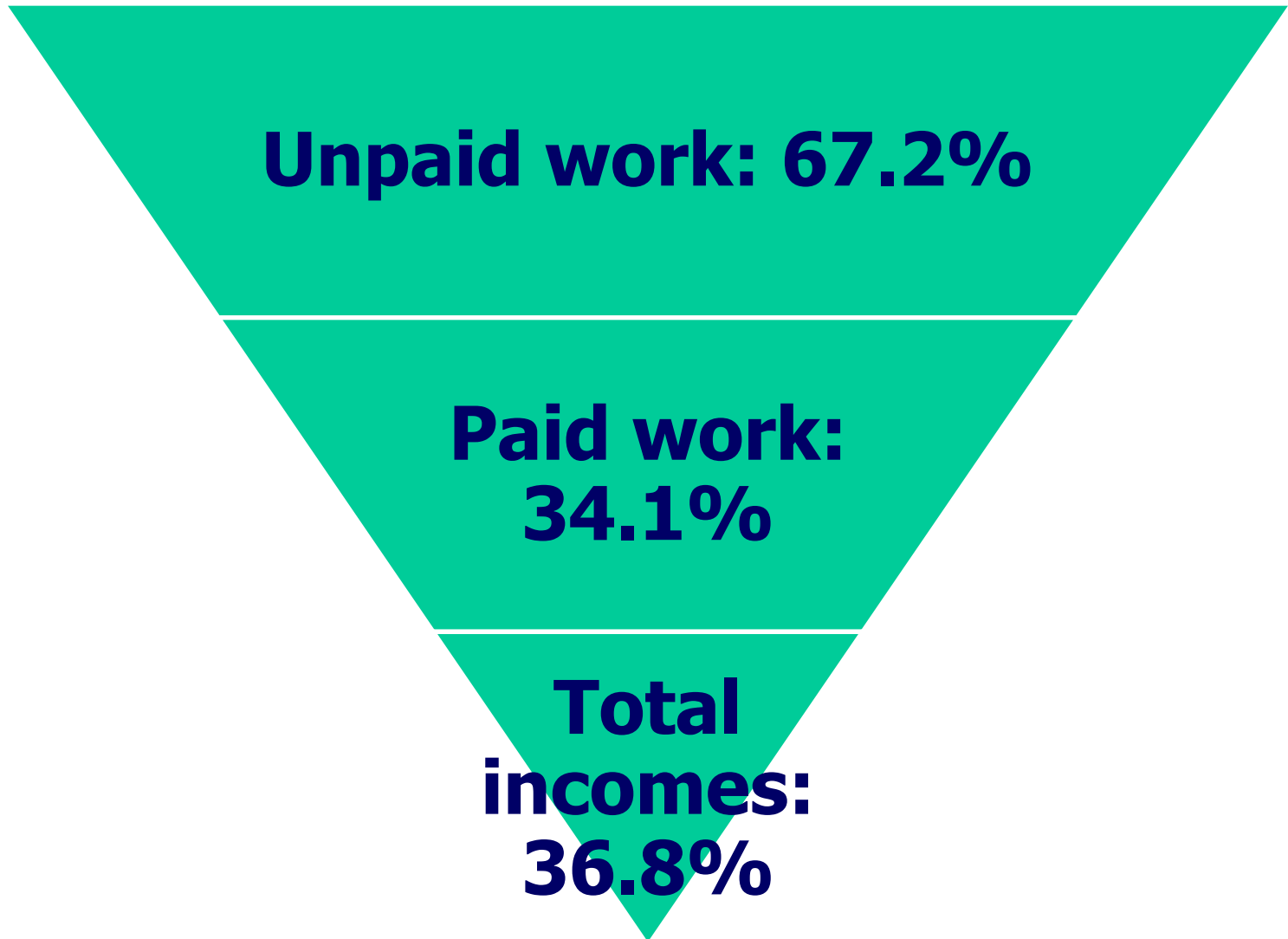
# ***Tax ratios and gender equality ranks, selected countries, 1995, 2014***

<b>UN HDI &amp; GII ratings; OECD tax ratios:</b>	<b>HDI 1995</b>	<b>GDI 1995</b>	<b>HDI 2014</b>	<b>GII 2014</b>	<b>Tax % 1995</b>	<b>Tax % 2013</b>	<b>Change tax %</b>
<b>Canada</b>	<b>1</b>	<b>9</b>	<b>8</b>	<b>23</b>	<b>34.9</b>	<b>30.6</b>	<b>(4.3)</b>
<b>US</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>47</b>	<b>26.7</b>	<b>25.4</b>	<b>(2.3)</b>
<b>Norway</b>	<b>7</b>	<b>3</b>	<b>1</b>	<b>9</b>	<b>40.9</b>	<b>40.8</b>	<b>(0.1)</b>
<b>Sweden</b>	<b>10</b>	<b>1</b>	<b>12</b>	<b>4</b>	<b>45.6</b>	<b>42.8</b>	<b>(2.8)</b>
<b>Australia</b>	<b>11</b>	<b>6</b>	<b>2</b>	<b>19</b>	<b>28.2</b>	<b>27.3</b>	<b>(0.9)</b>
<b>UK</b>	<b>18</b>	<b>13</b>	<b>14</b>	<b>35</b>	<b>32.1</b>	<b>33.0</b>	<b>0.9</b>

# *Economic gender equality indicators, Australia, UK, and Canada, latest years*

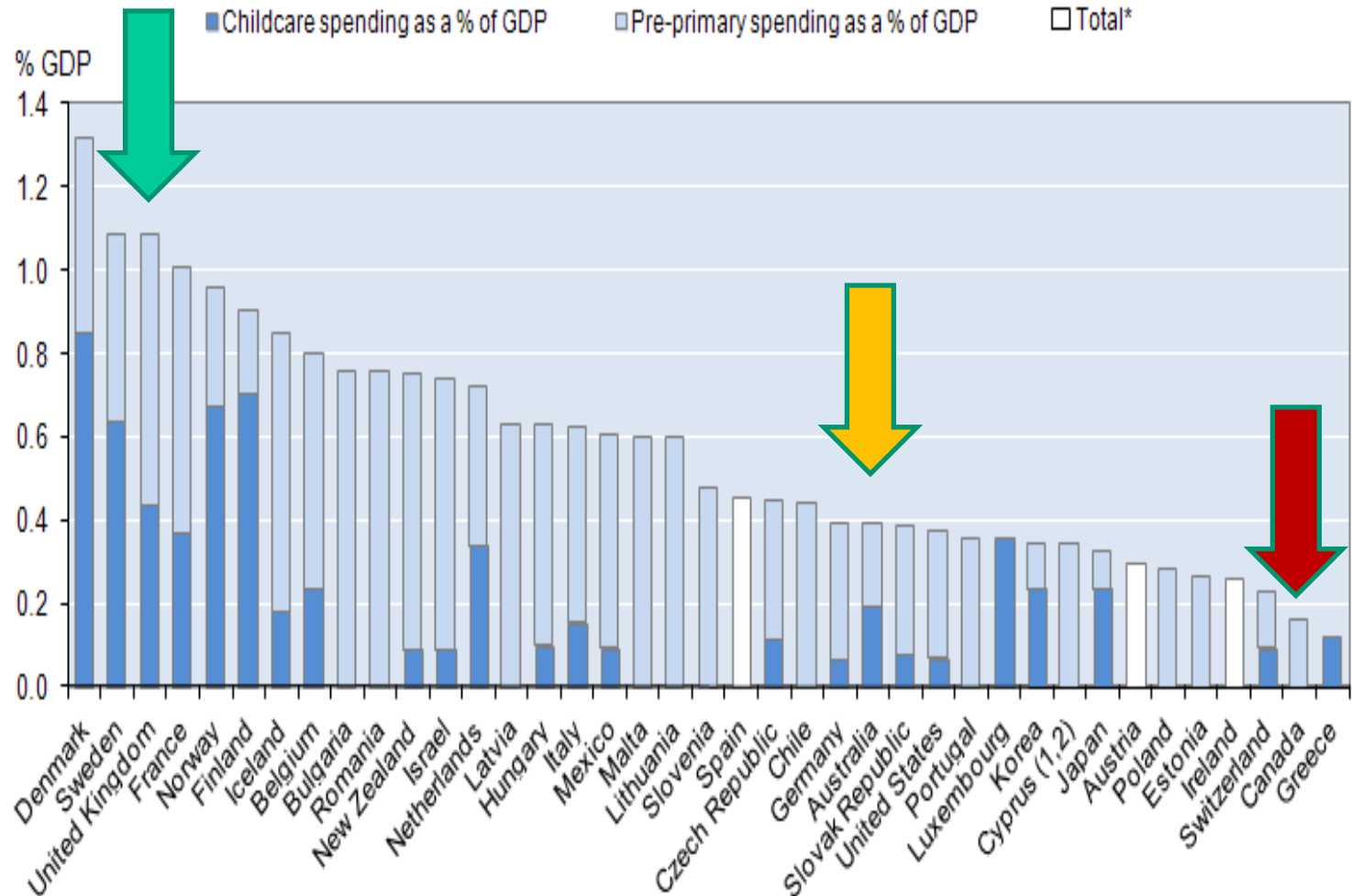
	<b>Australia</b>	<b>UK</b>	<b>Canada</b>
<b>Employment rate (% of all women)</b>	<b>55.0</b>	<b>54.2</b>	<b>57.6</b>
<b>Paid hrs/week (% of all paid hrs)</b>	<b>34.1</b>	<b>39.0</b>	<b>41.9</b>
<b>Unpaid hrs/week (% of all unpaid hrs)</b>	<b>67.2</b>	<b>68.0</b>	<b>67.6</b>
<b>Part-time work (% of women empl.)</b>	<b>38.4</b>	<b>39.4</b>	<b>26.6</b>
<b>Total incomes (% of total)</b>	<b>36.8</b>		<b>37.6</b>
<b>After-tax incomes (% of total)</b>	<b>38.4</b>		<b>41.0</b>

# *Women's shares of total incomes vs total work hours, Australia, 2014*

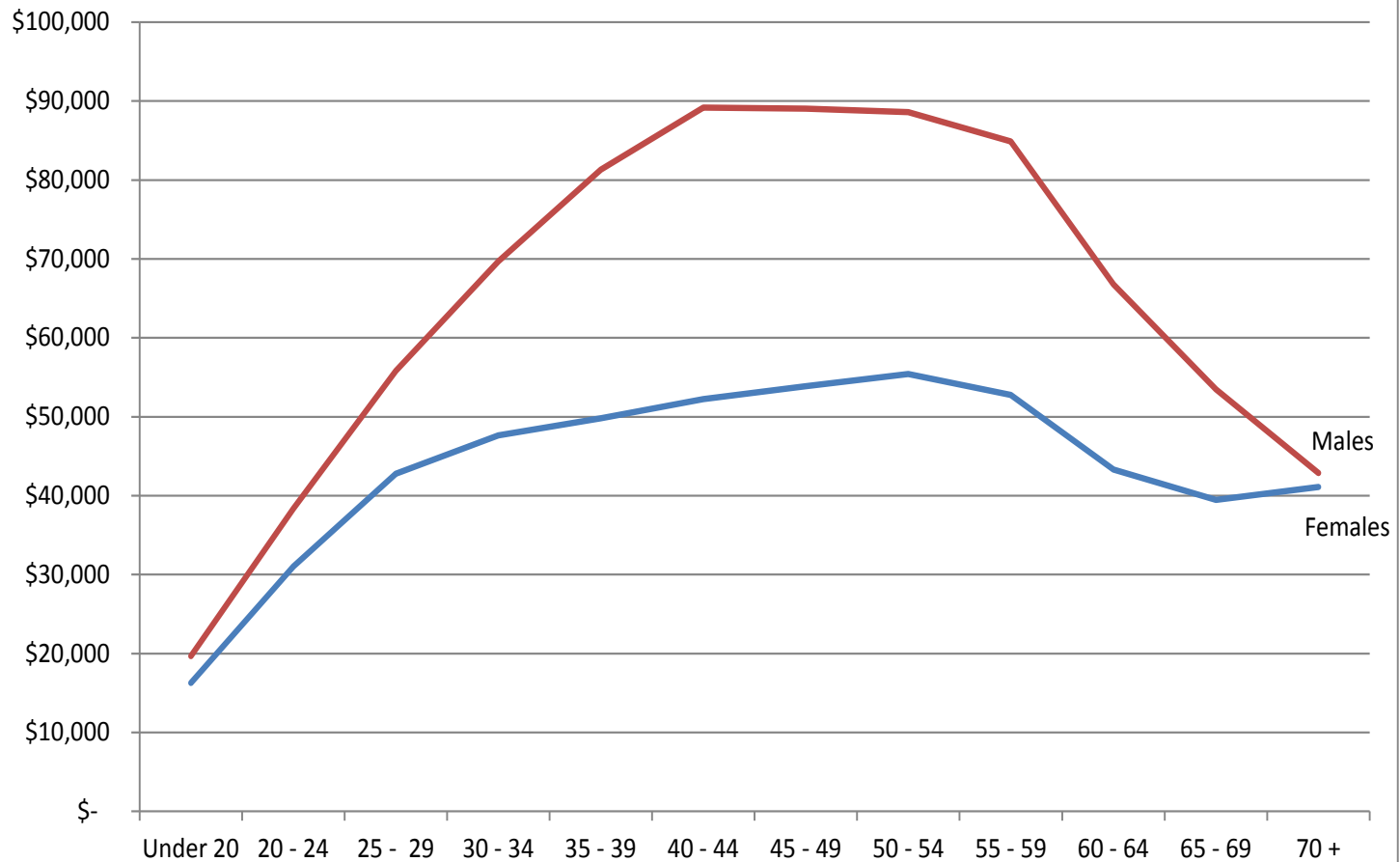




# Public expenditure on childcare and early education, as % of GDP, OECD, 2007



## Average total income, by gender and age Australia, 2013



# *Women's fulltime incomes as % of men's, by education, Canada, 1971-2010*

<b>Educational attainment</b>	<b>1971</b>	<b>1985</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>
<b>&lt; grade 9</b>	<b>55.5</b>	<b>58.8</b>	<b>59.2</b>	<b>68.7</b>	<b>69.6</b>	<b>69.4</b>	<b>51.5</b>
<b>Some second.</b>			<b>63.4</b>	<b>61.8</b>	<b>64.6</b>	<b>57.3</b>	<b>65.6</b>
<b>Graduated HS</b>	<b>56.8</b>	<b>61.8</b>	<b>71.2</b>	<b>71.7</b>	<b>73.0</b>	<b>71.0</b>	<b>70.4</b>
<b>Some postsec</b>	<b>59.3</b>	<b>67.2</b>	<b>64.8</b>	<b>64.4</b>	<b>75.0</b>	<b>75.6</b>	<b>72.6</b>
<b>Postsec cert.</b>	<b>66.9</b>	<b>67.4</b>	<b>68.8</b>	<b>73.8</b>	<b>70.6</b>	<b>68.6</b>	<b>71.2</b>
<b>Univ. degree</b>	<b>61.2</b>	<b>67.2</b>	<b>69.2</b>	<b>75.1</b>	<b>73.6</b>	<b>68.9</b>	<b>68.3</b>
<b>Average</b>	<b>59.7</b>	<b>64.0</b>	<b>65.0</b>	<b>72.0</b>	<b>72.5</b>	<b>70.5</b>	<b>71.3</b>

# *Participation tax+childcare rate [PTCR] and childcare cost rate [CCR] on second and lone parent earners, 2012*

*(OECD.Stat 2014)*

	<b>2<sup>nd</sup> parent PTCR w/ccare</b>	<b>2<sup>nd</sup> parent PTCR no ccare</b>	<b>2<sup>nd</sup> parent CCR</b>	<b>Lone parent PTCR w/ccare</b>	<b>Lone parent PTCR no ccare</b>	<b>Lone parent CCR</b>
<b>Swed</b>	30.9%	22.2%	8.9%	61.7%	57.2%	4.2%
<b>Austr</b>	73.1%	41.9%	31.2%	69.2%	52.7%	16.5%
<b>Can</b>	77.9%	31.4%	36.5%	94.1%	52.7%	41.4%
<b>US</b>	80.0%	27.3%	52.7%	90.8%	53.0%	43.8%
<b>UK</b>	88.3%	21.2%	67.1%	78.9%	70.4%	8.5%

# *Costs of tax and spending cut regimes, the UK, Canada, Australia, 2010, 2016*

<b>Total tax and spending cuts</b>	<b>UK</b>	<b>Canada</b>	<b>Australia</b>
<b>Spending cuts</b>	<p>L26 bill. (since 2010)</p> <p>85% to men 15% to women</p>	<p>\$210 bill. (structural)</p> <p>\$4 bill. (annual)</p>	<p>\$12.1 bill. (2014-15)</p> <p>???</p>
<b>Tax cuts</b>	<p>L12 bill. (2014)</p> <p>55-84% to men</p>	<p>\$94 bill. (in 2016 alone)</p> <p>\$52 bill. 68% to men \$29 bill. 62% to men \$13 bill 67-90% to men</p>	<p>???</p>

## ***Lost revenues – annual costs, Canada:***

**Structural**            **\$ 13.8 bill. GST rate cuts**  
**detaxation:**            **13.3 bill. Corporate income tax rate cuts**  
                                 **13.0 bill. Personal income tax rate cuts, exm**  
**\$ 40.1 bill. Total cost (2012)**

**Tax**                    **\$128.6 bill. Personal income tax benefits**  
**expenditures:**        **26.0 bill. Corporate income tax benefits**  
                                 **17.4 bill. GST tax benefits**  
**\$172.0 bill. Total cost (2010)**

**Offshoring:**        **\$ 1.9 bill. Conservative estimate (2012)**

**Unreported:**        **\$ 50.0 bill. Informal unreported economy**

**Total:**                **\$264 billion --- 15% of 2012 GDP**

## ***Structural detaxation costs, by sex, Canada, 2012***

<b>Tax cuts by type of federal tax (made over 2006-2012)</b>	<b>Total revenue lost in 2012 from effects of cumulative cuts</b>	<b>Women's estimated shares of tax cuts</b>
Personal income tax	\$13.0 bill.	40%
VAT (GST)	\$13.8 bill.	38%
Corporate and business income tax	\$13.3 bill.	10 to 37%
<b><i>Total 2012 revenue lost</i></b>	<b><i>\$40.1 bill.</i></b>	
<b><i>Total as % of 2012 GDP</i></b>	<b><i>2.8%</i></b>	

# ***Tax benefits of personal income tax cuts, by sex, Canada, 2009-10:***

<b>Type of cut:</b>	<b>Increased personal exemption</b>	<b>Increased cutoff for 15% bracket</b>	<b>Increased cutoff for 22% bracket</b>	<b>All cuts</b>
<b>Revenue cost</b>	<b>\$635.0 mill</b>	<b>\$785.0 mill</b>	<b>\$465.0 mill</b>	<b>\$1.885 bill</b>
<b>Men's \$ share</b>	<b>\$342.9 mill</b>	<b>\$526.0 mill</b>	<b>\$325.5 mill</b>	<b>\$1.195 bill</b>
<b>Men's % share</b>	<b>54%</b>	<b>67%</b>	<b>70%</b>	<b>63.4%</b>
<b>Women's \$ share</b>	<b>\$292.1 mill</b>	<b>\$259.0 mill</b>	<b>\$139.5 mill</b>	<b>\$0.690 bill</b>
<b>Women's % share</b>	<b>46%</b>	<b>33%</b>	<b>30%</b>	<b>36.6%</b>



# ***Corporate income tax rate cuts***

***\$13.3 bill  
2012***

- **Main beneficiaries: shareholders, top executives, and foreign corporations; labour share is questionable**
- **Women's share of income and wealth in this sector:**
  - **Women directors/top 500 corps (2010): 10%**
  - **Women in 'management pipeline' (2010): 17%**
  - **Women % corporate shares (2009): 37%**
- **CIT rate cuts reduce the incentive effects of investment, R & D, and other business tax credits**
- **These CIT rate cuts increase after-tax retained corporate earnings increasingly used to fund payment of tax-credited dividends and incentivizing capital gains tax benefits**

# *Average benefit from 2% GST cuts, by income quintile and sex, Canada, 2012*

<b>Quintile</b>	<b>Women</b>	<b>Men</b>
First	\$132	\$222
Second	\$343	\$452
Third	\$584	\$708
Fourth	\$799	\$991
Fifth	\$1,348	\$1,666
<b>All</b>	<b>38%</b>	<b>62%</b>

# ***Employment insurance***

***\$4.8 bill  
2010-11***

- **Since mid-1990s, those not in 'standard employment' have had markedly reduced EI coverage, women more so than men because of high levels of part-time work**
  - **Some researchers reported that before the changes, 72% of unemployed women received EI benefits**
  - **Subsequent to these changes, only 33% of unemployed women and 44% of unemployed men qualify**
- **Only 31% of beneficiaries receiving 'regular' EI in 2009 were women -- 69% were men**
- **65% of all the beneficiaries of EI health and family-related are men (more men's wages covered by EI)**
- **The Budget 2009/10 emergency EI package was mainly limited to those already qualified in the system**

# *Percentage of unemployed receiving employment benefits, by sex, Oct. 2008-Jun. 2009*

	<i>Women</i>					<i>Men</i>				
	<b>Oct. 2008</b>	<b>Dec. 2008</b>	<b>Feb. 2009</b>	<b>Apr. 2009</b>	<b>Jun. 2009</b>	<b>Oct. 2008</b>	<b>Dec. 2008</b>	<b>Feb. 2009</b>	<b>Apr. 2009</b>	<b>Jun. 2009</b>
<b>Unemployd (000's)</b>	<b>454.7</b>	<b>458.3</b>	<b>544.9</b>	<b>563.8</b>	<b>601.8</b>	<b>569.4</b>	<b>981.7</b>	<b>954.7</b>	<b>988</b>	<b>900.5</b>
<b>Receiving EI (000's)</b>	<b>163.6</b>	<b>204.2</b>	<b>244.0</b>	<b>256.5</b>	<b>236.3</b>	<b>217.5</b>	<b>360.0</b>	<b>561.1</b>	<b>570.8</b>	<b>434.2</b>
<b>Receiving EI (%)</b>	<b>36.0</b>	<b>44.6</b>	<b>44.8</b>	<b>45.5</b>	<b>39.3</b>	<b>38.2</b>	<b>52.8</b>	<b>58.8</b>	<b>57.8</b>	<b>48.2</b>
<b>Gender gap (in %)</b>	<b>2.2</b>	<b>8.2</b>	<b>14.0</b>	<b>12.3</b>	<b>9.0</b>					

# ***Tax expenditures disproportionately benefit men yet bypass most women:***

- Tax expenditures are 'hidden' expenditures; since 1979, the *Tax Expenditures Budget* provides basic information on all tax expenditures
- Tax expenditures reports do not reveal all tax advantages – they exclude 'structural' changes like CIT, PIT, or GST rate cuts, changes to bracket sizes or rates, and in definitions of the tax unit
- The 'upside down' effects of benefits delivered via tax systems:
  - Personal income tax benefits cannot be claimed by those whose incomes are so low that they have no tax liability: 40.4% of all women; 25% of men in Canada)
  - The value of tax expenditures increases with income – generally men receive 61-62% of major tax expenditures
- Joint tax/benefit expenditures: Many women cannot take full advantage of tax benefits due to joint benefit and penalty provisions, which covertly subsidize the 'male breadwinner' model of fiscal policy and disincentivize women's economic autonomy

## ***Tax expenditure costs, by sex, Canada, 2010***

<b>Tax expenditures (TEs) by type of tax in year</b>	<b>Total revenue lost in 2010 from TEs</b>	<b>Men's shares</b>	<b>Women's shares</b>
Personal income	\$128.6 bill.	60%	40%
Corporate income	\$26.0 bill.	63% to 90%	10% to 37%
GST	\$17.4 bill.	62%	38%
<b><i>Total 2010 revenue lost</i></b>	<b><i>\$172.0 bill.</i></b>		
<b><i>Total as % of 2010 GDP</i></b>	<b><i>10.8%</i></b>		

# ***RRSPs***

***\$9 bill/yr***

- **In 2005, 38.7% of all women would have received no tax benefit from RRSP contributions, because they had no tax liability**
- **Men had 59% of the RRSP contribution room and made 61% of the contributions in 2005**
- **Women had only 41% of the contribution room and made 39% of the contributions in 2005**
- **Only 11% of all taxpayers with incomes under \$20,000 made RRSP contributions, but could only use 2% of their room**
- **81% of those with incomes over \$100,000 made contributions; 84% of those taxpayers were men**
- **Low income single women will jeopardize GIS with RRSPs**

# ***Home renovation tax credit (ROT)***

***\$2.7 bill  
2009 yr***

- **40% of all women's incomes are so low they cannot take advantage of any income tax credits (cf. 25% of men)**
- **CRA webpage examples:**
  - **Retired single woman with \$18,500 income cannot claim tax credit for her home renovation costs because she has no income tax liability**
  - **Married woman with no income can give her receipts to her husband to claim and thus obtain the full \$1,350 tax credit**
  - **The married woman's husband also receives additional valuable tax credits for supporting her**
  - **Two brothers sharing real estate can each claim their full maximum individually**
- **Most single women who will have high enough income tax liability to be able to claim this credit cannot afford to spend \$10,000 on creditable home renovation**



# ***Joint tax measures impose numerous tax penalties on low-income women:***

- **Refundable income tax credits are structured to be paid to those whose incomes are too low to be able to claim ordinary tax benefits (40.4% of women):**
  - GST tax credit**
  - Canada Child Tax Benefit**
  - Working Income Tax Benefit**
- **Couple-based LICOs artificially bar many low-income women off from receiving these refundable credits**
- **These couple LICOs raise the 'welfare wall' even higher for low-income women in relationships**
- **They impose tax penalties on relationships without regard for the economic realities of those relationships**

# ***Tax benefits/transfers for unpaid partner work vs paid caregiving (Canada, 2012/2014)***

<b><i><u>Fiscal benefits re unpaid care</u></i></b>	<b><i><u>Amount</u></i></b>	<b><i><u>Men</u></i></b>	<b><i><u>Women</u></i></b>
Canada child tax benefit	\$10.3 bill.	5%	95%
UCCB	2.5 bill.	19%	81%
	+ 4.4 bill.		
Child tax credit	1.6 bill.	66%	34%
Dependent spouse credits	1.5 bill.	57%	43%
Transferred spousal credits	0.9 bill.	72%	28%
Parental income splitting (2014)	2.0 bill.	85%	15%
	<b><u>Total costs \$23.2 bill.</u></b>		

## ***Fiscal benefits re paid care***

Child care expense deduction	<b><u>\$ 1.6 bill.</u></b>	28%	72%
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***Grand total all costs*** **\$24.8 bill.**

**(only 7% of the \$24.8 bill. supports actual paid child care)**

# ***Working income tax credit***

# ***Low-income tax penalty***

- **WITB is phased out at different levels for single taxpayers than for taxpayers who are coupled:**
  - Single taxpayer: \$13,500**
  - Coupled taxpayer: \$21,500**
- **Coupled taxpayers can have very low income and still lose the WITB due to spouse/partner income**
- **This presumed income sharing deprives the taxpayer of economic autonomy**
- **This raises the 'welfare wall': the rapid phaseout of WITB for taxpayers in couple increases the total tax load on those earnings faster than if that taxpayer were single**

# ***Pension income splitting***

***\$1.5 bill  
2012***

- **Couple income and dollar value of income splitting:**

<b>\$26,800</b>	<b>—</b>
<b>\$31,800</b>	<b>\$500</b>
<b>\$41,800</b>	<b>\$700</b>
<b>\$72,000</b>	<b>\$2,975</b>
<b>\$100,000</b>	<b>\$8,125</b>
<b>\$140,000</b>	<b>\$11,216</b>

- **Pension splitting re-writes reality in order to justify giving selected pairs special tax benefits**
- **These tax benefits are not gender-neutral: For example, they create fiscal disincentives for the lower-income spouse/partner to have pension income , their own RRSP, or a spousal RRSP**
- **Raises the marginal tax rate on lower-income spouse's earnings, should employment be sought**
- **Gives tax benefit for fictional sharing of legal ownership, another disincentive to true sharing between spouses**
- **For couples only: excludes single individuals or those living with other family members**

## Distribution of \$2.7 billion cost of parental income splitting tax benefits, Canada, 2015

Couple incomes in each income decile	Average tax benefit per couple in decile	% of \$2.7 bill. rec'd by couples in decile	% of \$2.7 bill. received	
			by women:	by men:
1: up to \$32,000	\$14	0.1%	0.1%	0.004%
2: \$32,001-\$45,000	\$38	0.2%	0.07%	0.2%
3: \$45,001-\$56,000	\$123	1.0%	0.3%	7.4%
4: \$56,001-\$68,000	\$195	2.8%	0.3%	2.5%
5: \$68,001-\$82,000	\$546	7.8%	1.0%	6.9%
6: \$82,001-\$98,000	\$845	12.4%	1.5%	11.0%
7: \$98,001-\$116,000	\$1,207	17.4%	2.8%	14.7%
8: \$116,01-\$140,000	\$1,060	14.9%	1.4%	13.6%
9: \$140,001-\$182,000	\$1,121	16.2%	1.8%	14.4%
10: \$182,001 and up	\$1,730	26.9%	3.1%	23.9%
All		100.0%	12.3%	87.7%
Top 1%: > \$444,500	\$3,393			

Source: SPSD/M v. 21; deciles and results have been rounded.

# *Federal deemed income splitting tax credit, by decile, Canada, 2014* (v 21)

Couple income in each income decile		\$ of \$2 bill. to two-parent families	% of \$2 bill. in each decile	% shares to –	
				women	men
1 <sup>st</sup>	\$0 to \$19,200	---	---	---	---
2 <sup>nd</sup>	up to \$27,400	---	---	---	---
3 <sup>rd</sup>	up to \$37,700	1 mill.	0.1	---	0.1
4 <sup>th</sup>	up to \$47,000	18 mill.	0.9	0.2	0.7
5 <sup>th</sup>	up to \$59,600	64 mill.	3.3	0.7	2.6
6 <sup>th</sup>	up to \$74,100	147 mill.	17.6	0.8	6.8
7 <sup>th</sup>	up to \$92,200	291 mill.	15.0	1.6	13.4
8 <sup>th</sup>	up to \$116,200	475 mill.	24.6	4.0	20.6
9 <sup>th</sup>	up to \$157,400	435 mill.	22.5	3.4	19.1
10 <sup>th</sup>	over \$157,400	502 mill.	26.0	4.0	22.0
<b>All</b>		<b>\$ 2 bill.</b>	<b>100%</b>	<b>14.7%</b>	<b>85.3%</b>
<b>Top 5%: \$202,900+</b>		<b>\$271 mill.</b>	<b>14.1%</b>		
<b>Top 1%: \$385,600+</b>		<b>\$ 61 mill.</b>	<b>3.2%</b>		

# ***Gender impact of selected tax expenditures, Canada, 2012:***

## **Dividend tax credits:**

Revenue cost:	\$6.5 bill.
Men's shares:	71.2%
Women's shares:	29.8%

## **Capital gains on shares:**

Revenue cost:	\$4.2 bill.
Men's shares:	78.2%
Women's shares:	21.8%

## **Pension income splitting:**

Revenue cost:	\$2.0 bill.
Men's shares:	220.6%
Women's shares:	(120.6%)

***Total revenue lost***

***\$12.7 bill.***

# ***Infrastructure spending***

***\$9.6 bill  
2010-11***

- **No gender equity requirements have been included in these spending programs**
  
- **Little of this spending will go to women because of pronounced gender segmentation in the construction industry (ownership, labour force, training programs):**
  - **7% of construction workers are women**
  - **7% of those in the trades and transportation are women**
  - **22% of engineers are women**
  - **21% of those in primary industries are women**
  - **31% of manufacturing workers are women**
  - **0% of STEM chair funding (2010)**
  
- **None of this spending to date has been awarded for childcare projects – cf. women’s vs animal shelters; religious youth centre in Winnipeg**



# ***Lessons that Australia, Canada, and the UK should learn from experience:***

## **I Gender impact analysis is here to stay:**

It is time to stop avoiding GAI and gender budgeting, and put it to work.

## **II Tax cuts may buy votes – but they dismantle democracy:**

Tax and spending cuts privatize public fiscal space, liquidate public capital, deconstruct public goods, and create intergenerational inequalities.

## **III Women are not endless resources for social, physical, and fiscal reproduction – like the biosphere, women have factual limits:**

Governments can and should reduce economic inequalities; that is their job.

## **IV There are proven solutions to the tax/transfer dilemmas created by contemporary politicians and governments.**

# ***'Taxing for sex equality' and structural equality measures –***

- 'Taxing for equality' that takes gender and racialization, Indigenous, disability, poverty, and other inequalities into consideration can promote economic equality
  
- Solutions with proven track records include --
  - 1 *Restore progressive taxes on incomes and capital -- ability to pay*
  - 2 Individualize all spending and tax measures completely
  - 3 Eliminate inequalities in hiring, wages, promotion, and benefits
  - 4 Invest in affordable education and skills training at low low costs to tall
  - 5 Secure full and accessible early childhood and child care services for all
  - 6 Reduce taxes on low earned incomes and provide earned income credits
  - 7 Increase income security, pension, and other economic supports for low and middle income individuals
  - 8 Guarantee income security for single parents, low-income, and low-skill workers
  - 8 Reduce imbalances of capital incomes at high income levels
  - 9 Eliminate residual tax/benefit penalties that penalize women's paid work
  - 10 Reduce tax loads on low-income self-employed

# Change in women's activity rates vs childcare spaces, Spain, 2008-2010 (Alarcon and Collino)

%	Tasa de actividad Mujeres 25-39 años		Grado de cobertura	
	2008	2010	2008	2010
<b>Andalucía</b>	73,2	80,7	62,9	76,8
<b>Aragón</b>	83,9	84,3	76,6	75,8
<b>Canarias</b>	74,6	81,9	61,8	62,8
<b>Cantabria</b>	78,3	81,1	68,5	69,2
<b>Castilla - La Mancha</b>	74,8	76,6	62,0	78,8
<b>Castilla y León</b>	79,4	83,1	68,5	68,8
<b>Cataluña</b>	83,1	84,5	75,7	77,3
<b>Ceuta y Melilla</b>	58,1	55,8	62,6	61,2
<b>C. Madrid</b>	85,2	89,4	80,1	80,1
<b>C. F. Navarra</b>	82,9	83,8	74,9	74,8
<b>C. Valenciana</b>	80,3	82,6	65,5	69,1
<b>Extremadura</b>	70,8	77,6	63,9	63,1
<b>Galicia</b>	83,8	82,4	69,3	72,0
<b>I. Baleares</b>	82,4	85,2	62,6	66,4
<b>La Rioja</b>	81,2	80,9	60,9	60,8
<b>País Vasco</b>	84,3	85,5	87,4	88,5
<b>P. Asturias</b>	82,2	82,1	66,2	65,2
<b>R. Murcia</b>	75,3	78,9	68,1	67,4
<b>ESPAÑA</b>	79,8	83,2	70,2	74,6

# *Fiscal individualization, by decile, sex, and disposable incomes, all Canada, 2012*

Income decile	Individuals in decile (000s)		Change in average disposable income, per individual (\$)		
	Male	Female	Male	Female	Both
1	523	1,263	147	2,989	2,168
2	478	1,298	919	4,441	3,493
3	660	1,119	1,189	3,606	2,609
4	740	1,036	-137	3,594	2,040
5	858	920	-644	3,696	1,602
6	975	802	-883	3,431	1,065
7	1,007	767	-1,368	2,443	280
8	1,120	660	-1,719	2,052	-320
9	1,178	598	-1,701	1,980	-461
10	1,384	394	-1,938	808	-1,330
<b>Total</b>	<b>8,923</b>	<b>8,857</b>	<b>-920</b>	<b>3,182</b>	<b>1,124</b>

***This International Women's Day,***

***Don't give us bread and roses –  
give us bread and taxes***