GLOBAL ALLIANCE FOR TAX JUSTICE

FEMNET
The African Women's Development and Communication Network

Feminist Tax Justice and the United Nations Framework Convention on International Tax Cooperation

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Introduction

The year 2023 marked a landmark moment in the tax justice movement, with the United Nations General Assembly adopting a resolution to begin negotiations on a new UN Framework Convention on International Tax Cooperation (UNTC)[1]. Championed by the Africa Group,[2] the resolution to develop a UNTC marked a significant step in the global tax system. It provides hope for more inclusive and transparent international tax rules that protect the needs of developing countries, while also providing them a platform to influence the established rules.

As stated in the Secretary General's Report, the UNTC is a "legally binding multilateral instrument (...) that is 'constitutive' in nature, in that it would establish an overall system of international tax governance." [3] It is expected that negotiations on the UNTC will continue until 2027, when the UN will finalise the convention.

While we look forward to the UNTC's shift of international tax governance, with all states included in the process, the final convention must contribute to addressing the longstanding systemic challenges in the tax system that have continued to deepen the vulnerability of marginalised populations.

This article examines the necessity of incorporating feminist perspectives into the United Nations Framework Convention on International Tax Cooperation. It explores the feminist dimensions of global tax structures, justifies why feminist analysis should be central to the Convention, and offers proposals for how these perspectives can be meaningfully incorporated.

The Gendered Impact of Tax Systems

For years, several authors have discussed the gendered impact of tax systems. They highlight tax justice as central to realising gender and economic equality, noting that states have a human rights obligation to mobilise and redistribute resources equitably through progressive tax systems to fulfil women's economic and social rights.[4] They also note that high tax reliefs and benefits in formal employment are likely to benefit men more than women, but overlook the fact that it is predominantly women who provide unpaid care to the extended family[5]

[1] https://docs.un.org/en/A/C.2/78/L.18/Rev.1
[2] Africa Group, is one of the five United Nations regional groups and is composed of 54 Member States from the African continent. Nigeria tabled the resolution on behalf of the Africa group.
[3] United Nations, Promotion of Inclusive and Effective International Tax Cooperation, Report of the Secretary General, A/78/235 (2023): https://financing.desa.un.org/document/promotion-inclusive-and-effective-international-tax-cooperation-united-nations-a78235
[4] Attiya Waris for AWID (2024) Illicit Financial Flows: Why we should slaim these resources for gender, economic and social justice: https://www.awid.org/sites/default/files/2022-04/0814-IFF-eng-web.pdf

These impacts have also been grouped as implicit and explicit biases, with the former arising due to disparities in the effects of tax systems based on the gendered and social cultural norms. Implicit biases, on the other hand, primarily occur when tax policies unintentionally burden one group over another.[6]

International Tax Rules and gender equality

By design, international tax rules have been established as gender-neutral. While international institutions such as the Organisation for Economic Cooperation and Development (OECD), International Monetary Fund (IMF) and World Bank have initiated measures to mainstream gender in tax policies, these remain largely superficial and insufficient. With the tax rules embedded in a system that allows leakages through tax avoidance and evasion, harmful tax incentives and exemptions, and the failure to effectively tax wealth. These leakages not only undermine the fiscal capacity of Global South governments to provide public services but also exacerbate gender inequality and contribute to the feminisation of poverty. The section below explores these dynamics in greater detail.

Taxation of Corporations and Gender

The current international tax rules continue to permit massive tax avoidance and evasion by multinational corporations. Recent statistics on the State of Tax Justice reveal that globally, countries lose up to US$347.6 billion in tax due to multinational corporations shifting profits offshore. This is often backed by tax expenditures, which cost countries revenue, averaging 3.8 per cent of GDP and 23 per cent of tax revenue globally.[7] The gendered impact of taxation of corporations is threefold:

First, the failure of multinational corporations to pay their fair share of taxes results in governments burdening small businesses, which are often women-owned, with multiple taxes. This usually limits their growth and leads to their closure. An example is drawn from the "Sweet Nothings Study," in which a subsidiary of one of the world's largest food multinationals, Associated British Foods (ABF), operating as Zambia Sugar Plc, generated profits of $123 million but paid "virtually no corporate tax" in Zambia. This, however, was compared to small business owners, who were expected to contribute to the revenue basket despite registering low earnings. One of these was Caroline Muchanga, who, operating a market stall, would earn ZK20,000 (approximately US$4) but would pay a daily market levy of ZK1,000 (approximately 20 US Cents). This was in addition to the costs of almost half of her daily income that she would have to spend on healthcare in case hertwo daughters fell sick.[8]

[5] TJNA, Taxation and gender: Why does it matter? (2011): https://www.taxjustice.net/cms/upload/pdf/Africa_Tax_Spotlight_5th_edition.pdf?
[6] Taxation And Gender Equity A comparative analysis of direct and indirect taxes in developing and developed countries: https://idl-bnc-idrc.dspacedirect.org/server/api/core/bitstreams/9a84ed06-e768-4399-b649-89e61878a05d/content
[7] Tax Expenditures Lab, Tax Expenditures in an Era of Transformative Change (2023): https://gted.taxexpenditures.org/wp-content/uploads/2023/10/von-Haldenwang-et-al-2023-_-TEs-in-an-era-of-transformative-change.pdf
[8] Action Aid, Sweet nothings: The human cost of a British sugar giant avoiding taxes in Southern Africa (2013): https://www.actionaid.org.uk/sites/default/files/publications/sweet_nothings.pdf

Such examples are among many that illustrate how the current design of tax systems, which allows large corporations to shift their profits and avoid taxes, subjects women to higher tax burdens. These burdens not only reduce their meagre earnings but also limit their ability to save and invest, keeping them trapped in cycles of low earnings and poverty.

Secondly, tax expenditures often benefit men more than women. For a long time now, most wealth and production assets, including land and businesses, have been owned by men.[9] Moreover, studies have revealed that while multinational corporations are often attracted to low tax jurisdictions, these same countries often have weak standards for labour and environmental regulations.[10]. As a result, women, who often take on roles at the production level in the majority of these corporations, are often subjected to precarious work conditions, characterised by long work hours, low wages, no social protection and sexual violence at times.[11]

Thirdly, the failure of governments to effectively tax multinational corporations has forced them to increasingly rely on indirect taxes, which, when imposed on basic goods, not only limit women's access to them but also reduce their disposable incomes, thereby denying them opportunities to save and invest. Previously, countries such as Ghana, South Africa, Kenya, among others, have reversed moves to impose indirect taxes on goods and services following demonstrations from citizens against the proposed taxes. While some of these regressive taxes have since been repealed, it remains inevitable for governments with low collections from direct taxes to eliminate indirect taxes. As a result, women have remained a form of capital, with many of them operating either within the informal economy or taking on the lowest ranking roles within corporations, where they are often subject to low wages, indecent work conditions and sexual violence. This continues to strip women of their dignity, with many of them unable to live decent lives and thus undoing any statistical and abstract efforts towards gender equality.

Taxation of High-Net-Worth Individuals/ Wealth and Gender

The World Inequality Report reveals that the poorest half of the global population owns barely any wealth, possessing just 2% of the total. In contrast, the wealthiest 10% of the global population own 76% of all wealth. More still, within major global regions, [GU1] except for Europe, the share of the bottom 50% in total earnings is less than 15% (less than ten in Latin America, Sub-Saharan Africa and the MENA region) while the share of the wealthiest 10% is over 40% and in many of the areas, closer to 60%.

[9]UN Women (2024):Facts and figures: Economic empowerment: https://knowledge.unwomen.org/en/articles/facts-and-figures/facts-and-figures-economic-empowerment
[10] UNCTAD, Multinational Enterprises and the International Transmission of Gender Policies and Practices (2021): https://unctad.org/system/files/official-document/diaeinf2021d1_en.pdf
[11] https://media.business-humanrights.org/media/documents/Change_the_Way_You_Do_Business_Leading_with_women_workers_voices_Briefing_paper.pdf

Worse still, according to their estimates, the share of the bottom 50% of the world's population in total global wealth is 2%, while the share of the top 10% is 76%. Overall, women's share of total incomes from work (labour income) neared 30% in 1990 and stands at less than 35% today.[12]

Additionally, it is essential to note that while nations have become richer, governments have become poorer. This trend was magnified by the COVID crisis, during which governments borrowed the equivalent of 10-20% of GDP, essentially from the private sector. The limited wealth of governments allows for continued corporate capture, resulting in governments' failure to enact policies that would contribute to curbing wealth inequality.[13]

Citing Africa as an example, wealth inequality is soaring on the continent, with the richest 0.0001% owning 40% of the continent's entire wealth. While the richest Africans see their wealth grow thanks to healthy returns on their investments and capital, too many others struggle to earn a decent living from their labour. [14]

Given that wealth is concentrated and held disproportionately by men.[15]Effective taxation of wealth/HNWIs is intrinsically a gender-redistributive tool: taxing wealth, inheritance, capital gains, and significant personal incomes better targets the holders of economic power and opens fiscal space to finance public services that reduce women's unpaid care burden and strengthen women's economic autonomy.

Why feminist, rights-based perspectives must be integrated into the UN Tax Convention

A feminist, rights-based approach to global tax reform under the UN Tax Convention provides a critical lens for ensuring tax and gender justice. Through this lens, the UNTC becomes a lever for promoting gender equality and equitable redistribution of resources from the wealthy to the marginalised, particularly women and girls in all their diversity.

This approach aligns with a multitude of standards to which numerous governments have committed as part of their efforts to challenge gender discrimination in economic policy at local, national, regional, and international levels. These commitments, embedded in both human rights and financing mechanisms, as well as normative frameworks, may not be legally binding; however, they reflect significant political aspirations that can be leveraged to further gender justice. Some of these are shared below:

[12] World Inequality Report 2022: https://wir2022.wid.world/www-site/uploads/2022/03/0098-21_WIL_RIM_EXECUTIVE_SUMMARY.pdf
[13] Ibid
[14] https://www-cdn.oxfam.org/s3fs-public/file_attachments/bp-tale-of-two-continents-fighting-inequality-africa-030919-en.pdf
[15] Oxfam 2024: Inequality Inc:How corporate power divides our world and the need for a new era of public action : https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621583/bp-inequality-inc-150124-en.pdf?sequence=29

The Addis Ababa Action Agenda (AAAA), which in Article 6 reaffirms that achieving gender equality and women's empowerment is essential for inclusive and sustainable development, calls for gender mainstreaming across all policies, transparency, and equal participation in budgeting, as well as the tracking and reporting of resources allocated to gender equality.

The protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa, which, in Article XIII notes states' commitment to adopt and enforce legislative and other measures to guarantee women equal opportunities in work and career advancement and other economic opportunities, mentions that states will ensure the equal application of taxation laws to women and men.

The Beijing Declaration and Platform for Action: Critical area 6 of the BPfA highlights women's underrepresentation in economic decision-making and strategic objectives F.1 and F.6 call on governments to review tax and social security systems to eliminate gender bias and promote equality in how women and men access and benefit from economic and social opportunities.

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) recognises the role women play in family systems and society. CEDAW throughout Articles 2-3 and 11-15 obliges States to remove discriminatory tax provisions, assess gender impacts of tax measures, ensure equal access to tax benefits/credits, and structure revenue in ways that advance substantive equality.

Compromiso de Sevilla, in which, under point 27, as part of the efforts to promote fiscal systems and sustainable development, states are committed to advancing discussions on gender responsive taxation.

Further calls for gender-transformative tax systems have been made by women's rights organisations and the feminist movement in a series of declarations and spaces, such as the Rabat Roadmap, the Feminist Forum Declaration on Financing for Development, and the Tax Justice and Gender Equality Conference 2021: Making Taxes Work for Women.

For the UNTC to be truly effective, it must enshrine a feminist rights-based approach that promotes substantive equality and avoids discrimination, taking into account intersectional perspectives. It must enable states to fulfil their obligation of mobilising maximum available resources and progressively increasing allocations towards essential care services for the full realisation of human rights. States are obliged to ensure that they do not take measures that are retrogressive to human rights, leaving women worse off. [16]Where these rights have been infringed, the state must ensure measures of redress and provide a right of recourse through reparations. States are also obligated to participate in international cooperation in areas that promote human rights while not infringing on human rights beyond their borders.[17]

[16] cesr.org/sites/default/files/2025/Decoding_Gender_Injustice_-_CESR_and_TWN.pdf
[17] https://cesr.org/sites/default/files/2021/Principles_for_Human_Rights_in_Fiscal_Policy-ENG-VF-1.pdf

Thus, a feminist, rights-based approach provides states with much room and means for advancing gender equality and human rights simultaneously, bearing in mind that women's rights are human rights.

Holding the United Nations and its member states to uphold their commitments towards fulfilling human rights obligations, such as under CEDAW and other human rights treaties; uphold their commitments towards advancing gender equality; and the incorporation of feminist perspectives into the UN Tax Convention is likely to provide policymakers and governments with a tool to not only guide negotiations, but also establish a basis for conducting feminist analyses of taxes before their enactment and administration. This could be a significant step towards ensuring the existence of gender-transformative tax policies that consider the needs of marginalised groups in populations, spurring them to improved social and economic wellbeing.

More importantly, the explicit integration of feminist perspectives in the UN Tax Convention would contribute to the progressivity of tax systems, ensuring that everyone pays a fair share of their taxes without disproportionately burdening women and other marginalised groups.

Pathways for the integration of feminist considerations in the UN Tax Convention

The integration of feminist considerations in the UN Tax Convention will require actions to be taken throughout the negotiation and implementation of the convention, as discussed below:

One of the commitments in the Terms of Reference which also forms the draft Article 9 of the UNTC states that state parties will pursue international tax cooperation approaches that contribute to sustainable development in its three dimensions, economic, social and environmental. In recognition of SDG 5, which aims to achieve equality between women and men and empower all women and girls, **the Convention should explicitly commit to ensuring that tax systems and international tax rules promote gender equality**. This includes explicit gender language and reference to gender equality, recognising and addressing how tax policies affect women and men differently, eliminating gender biases in tax laws, and ensuring that revenues mobilised through taxation are used to advance women's rights and further achieve economic justice and empowerment for women. This will also align with member states' commitment to promote gender-responsive taxation in the CEDAW and the Compromiso de Sevilla.

Emphasis on source taxation as opposed to residence taxation: In this regard, the convention should ensure that developing countries, which are often the source of profits for the majority of multinational corporations, retain the taxing rights. This will be key to ensuring that states reduce their reliance on indirect taxes, which disproportionately impact women, while simultaneously saving resources for investment in public services to reduce women's unpaid care workloads.

Ensuring the effective taxation of HNWI's wealth, including consideration of levying a higher direct tax on the wealthy and redistributing resources, would be useful in raising funds to be directed towards critical sectors such as education, healthcare, and infrastructure. For example, a wealth tax of 2% on the world's millionaires, 3% on those with wealth above $50 million, and 5% on the world's billionaires would raise $2.52 trillion annually. [18]

Mandate gender impact assessments of all tax policies before enactment and during administration: States should commit to conducting analyses of proposed tax policies or treaty clauses before their enactment to identify and mitigate any potential risks that could negatively impact women and other marginalised groups. During the implementation of these policies, tax administrations should also be mandated to conduct gendered impact analyses to ensure that the processes of collecting taxes don't negatively impact women and other marginalised groups.

Provision for the establishment of a gender and tax advisory group throughout the negotiation and implementation of the UN Tax Convention: This will contribute to ensuring that the provisions of the UN Tax Convention within a fast-changing world remain fully inclusive and cognizant of the needs of the most marginalised groups, while at the same time advancing progressive and transformative tax systems. The group will also be key to ensuring that feminist perspectives are incorporated across all the workstreams.

Mandating countries to maintain accountability systems towards commitments on gender and tax: This should include the collection and publication of gender-disaggregated data, which is essential for conducting gender-responsive analyses of tax policies. Such data would enable comparisons across regions, strengthen evidence on the gendered impacts of tax policy and inform future tax policy reforms and international negotiations to ensure that tax systems advance, rather than undermine, gender equality.

Conclusion

The ongoing negotiations of the UN Framework Convention on International Tax Cooperation (UNTC) present a pivotal opportunity to reshape global tax governance. However, for the UNTC to be truly transformative, it must integrate commitments that recognise and address the gendered impacts of tax policies. Incorporating feminist and rights-based perspectives into the UNTC is not merely a matter of fairness but a strategic imperative for achieving sustainable development and social justice. This includes ensuring that tax policies do not disproportionately burden women, particularly those in low-income countries, and that revenue mobilisation contributes to advancing women's rights and gender equality.

[18]Taxing Extreme Wealth an annual tax on the world's multi-millionaires and billionaires: What it would raise and what it could pay for: https://patrioticmillionaires.org/wp-content/uploads/Annual-Wealth-Tax-Factsheet.pdf

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