



AFRICAN TAX  
ADMINISTRATION FORUM

FORUM SUR  
L'ADMINISTRATION  
FISCALE AFRICAINE



**ARE TAX POLICIES  
DEVELOPED TO REDUCE  
GENDER INEQUALITY  
IN ATAF MEMBER  
COUNTRIES?**



# ARE TAX POLICIES DEVELOPED TO REDUCE GENDER INEQUALITY IN ATAF MEMBER COUNTRIES?

## A DESK REVIEW



For more information:

### **ATAF Women in Tax Network (AWITN)**

Hatfield Gardens, Block G, 2nd Floor

Hatfield, Pretoria, South Africa, 0181

Tel: +27 12 451 8800

E-Mail: [vsingh@ataftax.org](mailto:vsingh@ataftax.org)

[www.ataftax.org](http://www.ataftax.org)

# Executive summary

Empirical studies have shown that, as much as tax policies have been reformed to reduce explicit<sup>1</sup> gender bias, they still contain implicit<sup>2</sup> bias. Against that background, this paper draws on desk research to provide an overview of tax policies in African countries and determine whether they reduce gender inequality. To that end it uses a conceptual framework to assess two kinds of gender bias, explicit and implicit, in a stratified sample of 16 African countries from across Africa where French, English, Portuguese and Arabic are spoken. It also uses its desk research findings to inform the next steps towards greater gender equality in taxation.

Findings from the 16 countries reveal that only Morocco shows explicit bias. It came in its personal income tax (PIT) regime, which requires women to show evidence that they are related to dependents before benefiting from deductions. All other countries presented implicit bias in the three tax heads addressed:

- **PIT**

high headline rates, thresholds below poverty lines, even the absence of basic income thresholds;

- **Corporate income tax (CIT)**

low headline rates for formal corporations, and the prevalence of flat (presumptive) taxes for micro, small and medium enterprises in the informal sector;

- **Value-added tax (VAT)**

countries' growing dependence on VAT revenue and high VAT standard rates.

This paper also found a lack of gender-disaggregated tax administration statistics to support the quantitative gender analysis of existing and possible future tax policies.

It found, too, that ATAF countries employ fewer women than men, especially at the executive level. Nevertheless, a number of countries have provisions that promote gender equality in PIT (allowances for dependent spouses), CIT (lower rates and exemptions for small and medium enterprises) and VAT (exemptions and zero rating of basic food items). Furthermore, a number of African countries have developed microsimulation models that use household survey data to produce gender-disaggregated statistics to support gender-sensitive tax policies.

This paper, based on the author's model of tax gender equality measured against a set of indicators and on a 4 point Likert scale, concludes that, of the 16 countries sampled, only two are moving towards gender equality, while 14 still need to initiate tax legislation to that end.

---

<sup>1</sup> Explicit gender bias refers to specific provisions in tax policies that treat men differently from women. Most times, these clearly disadvantage women.

<sup>2</sup> Implicit gender bias refers to provisions in tax policies which, although they do not intentionally spell out different treatment for men and women, they impact social, cultural and economic factors that affect men and women differently.

It goes on to propose policy and administration recommendations for promoting the development of tax policies conducive to gender equality. They include:

- the need for an ATAF commitment on gender equality;
- the requirement that all tax thresholds should be above the international poverty line;
- a review of headline CIT rates (in opposition to the OECD recommendation of a minimum CIT rate).

The overall picture painted by this overview is that the current state of tax policies in ATAF countries yields little evidence that they were developed with any concern for their impact on inequality between the sexes. Yet, it is important that ATAF countries give serious consideration to gender-sensitive tax policies, because they:

- widen the tax base, improve tax efficiency, and meet the cardinal principles of taxation;
- respond to the objectives of ATAF Women in Tax Network (AWITN) and to those of Sustainable Development Goal 5 (SDG5).

Policy makers in ATAF countries need to work together on developing frameworks to shape tax policies that address gender issues peculiar to Africa. Such policies will enable the mobilisation of much-needed revenue to support social programmes that ease the strain of unpaid work and increase gender-sensitive economic benefits.